



THE CITY COMMISSION OF BOZEMAN, MONTANA

REGULAR MEETING AGENDA

Tuesday, November 23, 2021

This meeting will be held using Webex, an online videoconferencing system. You can join this meeting:

Via Webex:

<https://cityofbozeman.webex.com/cityofbozeman/onstage/g.php?MTID=e49e5b1433639ce71be9af55760fa6429>

Click the Register link, enter the required information, and click submit.
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If you are interested in commenting in writing on items on the agenda please send an email to agenda@bozeman.net prior to 12:00pm on the day of the meeting. You may also comment by visiting the [Commission's comment page](#).

You can also comment by joining the Webex meeting. If you do join the Webex meeting, we ask you please be patient in helping us work through this online meeting.

If you are not able to join the Webex meeting and would like to provide oral comment you may send a request to agenda@bozeman.net with your phone number, the item(s) you wish to comment on, and the City Clerk will call you during the meeting to provide comment.

You may also send the above information via text to 406-224-3967. As always, the meeting will be streamed through the [Commission's video page](#) and available in the City on cable channel 190.

A. Call to Order - 6:00 PM - Via WebEx Videoconference

B. Pledge of Allegiance and a Moment of Silence

C. Changes to the Agenda

D. FYI

E. Commission Disclosures

F. Consent

F.1 [Accounts Payable Claims Review and Approval](#) (Stewart)

F.2 [Authorize Mayor to Sign a Mutual Release and Settlement Agreement in Gallatin County,](#)

- F.3 [Approval of the Final Plat of The Parklands at the Village Downtown Major Subdivision to Create 10 Residential Lots from 4.77 Acres and Authorize the Community Development Director to Sign An Improvements Agreement and the City Manager to Sign A Sewer Easement](#)(Saunders)
- F.4 [Approval of the Final Plat for the Allison Phase 4A Major Subdivision, South 11th Avenue and Arnold Street, Project No. 21022 \(Quasi-Judicial\)](#)(Montana)
- F.5 [Authorize the City Manager to Enter into Sub-Recipient Agreements for ARPA Household & Worker Assistance](#)(Rosenberry)

G. Public Comment

This is the time to comment on any matter falling within the scope of the Bozeman City Commission. There will also be time in conjunction with each agenda item for public comment relating to that item but you may only speak once. Please note, the City Commission cannot take action on any item which does not appear on the agenda. All persons addressing the City Commission shall speak in a civil and courteous manner and members of the audience shall be respectful of others. Please state your name and address in an audible tone of voice for the record and limit your comments to three minutes.

H. Mayoral Proclamation

- H.1 [Mayor Proclamation Proclaiming Small Business Saturday](#)(Andrus)

I. Action Items

- I.1 [Mountains Walking Growth Policy Amendment, Application 21318](#) (Hyde)
- I.2 [Mountains Walking Zone Map Amendment, Application 21319](#) (Hyde)
- I.3 [FY23 - FY27 Capital Improvement Plan - Public Works Funds](#) (Donald)

J. Appointments

- J.1 [Appointments to the Historic Preservation Advisory Board.](#) (Maas)

K. FYI / Discussion

L. Adjournment

City Commission meetings are open to all members of the public. If you have a disability that requires assistance, please contact our ADA Coordinator, Mike Gray, at 582-3232 (TDD 582-2301).

Commission meetings are televised live on cable channel 190 and streamed live at www.bozeman.net. City Commission meetings are re-aired on cable Channel 190 Wednesday night at 4 p.m., Thursday at noon, Friday at 10 a.m. and Sunday at 2 p.m.

In order for the City Commission to receive all relevant public comment in time for this City Commission meeting, please submit via www.bozeman.net or by emailing agenda@bozeman.net no later than 12:00 PM on the day of the meeting. Public comment may be made in person at the

meeting as well.

Memorandum

REPORT TO: City Commission

FROM: Levi Stewart, Interim Accounting Technician
Kristin Donald, Finance Director

SUBJECT: Accounts Payable Claims Review and Approval

MEETING DATE: November 23, 2021

AGENDA ITEM TYPE: Finance

RECOMMENDATION: The City Commission approves payment of the claims.

STRATEGIC PLAN: 7.5. Funding and Delivery of City Services: Use equitable and sustainable sources of funding for appropriate City services, and deliver them in a lean and efficient manner.

BACKGROUND: Section 7-6-4301 MCA states that claims should not be paid by the City until they have been first presented to the City Commission. Claims presented to the City Commission have been reviewed by the Finance Department to ensure that all proper supporting documentation has been submitted, all required departmental authorized signatures are present indicating that the goods or services have been received and that the expenditure is within budget, and that the account coding is correct.

UNRESOLVED ISSUES: None

ALTERNATIVES: As suggested by the City Commission.

FISCAL EFFECTS: The total amount of the claims to be paid is presented at the bottom of the Expenditure Approval List posted on the City's website at <http://www.bozeman.net/government/finance/purchasing>. Individual claims in excess of \$100,000: to be announced in weekly e-mail from Interim Accounting Technician Levi Stewart.

Report compiled on: November 15, 2021

Memorandum

REPORT TO: City Commission

FROM: Anna Saverud, Assistant City Attorney
Greg Sullivan, City Attorney

SUBJECT: Authorize Mayor to Sign a Mutual Release and Settlement Agreement in Gallatin County, Montana v. City of Bozeman No. DV-20-10B

MEETING DATE: November 23, 2021

AGENDA ITEM TYPE: Agreement - Legal

RECOMMENDATION: Move to authorize the Mayor to sign the Mutual Release and Settlement Agreement in Gallatin County, Montana v. City of Bozeman No. DV-20-10B, resolving the SID 745 dispute.

STRATEGIC PLAN: 4.3 Strategic Infrastructure Choices: Prioritize long-term investment and maintenance for existing and new infrastructure.

BACKGROUND: In early 2020, Gallatin County filed a lawsuit challenging the legality of SID 745 and the County's obligation to pay their share for the improvements to Ferguson and Oak. Partial payment was made in protest. The City counterclaimed for breach of contract. The parties each moved for partial summary judgement and Judge McElyea issued the attached Order on September 23, 2021. The court found in favor of the County on some claims, and in favor of the City on others. Importantly, with regard to whether or not the County was required to pay for their fair and proportionate costs of the improvements to Ferguson and Oak, the court agreed with the City that the County was required to pay under an alternate financing method. Additionally the court awarded the City attorneys fees related to the claims the city prevailed on. Following the court's order, the parties again engaged in negotiations and reached the terms set for in the attached.

UNRESOLVED ISSUES: None.

ALTERNATIVES: Not enter a settlement and potentially further litigate an appeal of the court's order.

FISCAL EFFECTS: The settlement calls for the County to pay the City a total of \$950,000 which includes payment by the County of \$903,424.65 assessed as their fair and proportionate share under an alternate financing method for the improvements made to Ferguson and Oak. As the Court awarded the City partial attorney's fees, the remaining amount of \$46,575.35 was negotiated

as a fair reimbursement under the settlement.

Attachments:

[SID 745 Settlement agreement.pdf](#)

[ORDER ON MOTIONS FOR PARTIAL SUMMARY JUDGMENT](#)

[DV-20-10B.pdf](#)

Report compiled on: November 15, 2021

MUTUAL RELEASE AND SETTLEMENT AGREEMENT

RELEASORS: Gallatin County, Montana; and City of Bozeman, Montana

RELEASEES: City of Bozeman, Montana; and Gallatin County, Montana

DISPUTE: Claims by Gallatin County, Montana relating to the Westside Construction Project and Special Improvement District No. 745, and Counterclaims by the City of Bozeman relating thereto, as set forth in the pleadings filed in the Civil Cause described below.

TERMS OF SETTLEMENT: See Paragraph 5, below.

CIVIL CAUSE: *Gallatin County, Montana v. City of Bozeman*, Cause No.: **DV-20-10B**, Montana Eighteenth Judicial District Court, Gallatin County

1. Mutual Release

Subject to approval of this Mutual Release and Settlement Agreement (“Agreement”) by Gallatin County, Montana (“County”) and the City of Bozeman, Montana (“City”), following compliance with Montana’s Open Meeting laws, in consideration of the terms and conditions set forth in this Agreement, the undersigned Parties agree and do fully and forever mutually release and discharge one another, and their respective successors, assigns, agents, partners, officers, directors, members, managers, employees and attorneys from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, that were or could have been brought upon any facts then in existence, arising out of the Dispute.

2. No Admission of Liability

It is understood that the terms and conditions of this Agreement are given and accepted as the sole consideration for full satisfaction and accord for the purpose of compromise and settlement of the Dispute, and that neither the consideration provided nor the negotiations for settlement shall be considered as an admission of liability.

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3. Apportionment of Payment to Lienholders

Acceptance by the City of the amounts paid by the County are made in full acceptance of any obligation by the County to pay for improvements that are the subject of the above described Dispute. And the City shall accept full and sole responsibility to apportion and pay any and all entities who may have valid liens or rights of subrogation or reimbursement for work or materials performed in connection with the subject matter of the referenced Dispute. The Parties further agree that the release of all claims upon payment and receipt of the amounts stated herein shall include any claim to costs or attorney fees incurred by the Parties in the referenced Civil Cause.

4. Additional Claims

The Parties mutually represent that no additional claims are contemplated against the other party or any affiliated entity or person for the losses, damages, or injuries based on the subject matter of this Agreement.

5. Terms of Settlement

The Parties agree and stipulate as follows:

- A. The County will pay the City a total amount of \$950,000 in full and final satisfaction of the Dispute. This amount will be paid as follows:
 - i. The City will retain the \$618,028.71, which the County previously paid to the City under protest; and
 - ii. The County will pay the City the remaining balance of \$331,971.29 to the “Peter G. Scott Law Offices, PLLC – IOLTA” account within fifteen (15) days after the execution of this Agreement.

Within fifteen (15) days after payment by the County, counsel for the parties shall jointly move the Court to dismiss all remaining claims in the Civil Cause with prejudice, as fully settled upon the merits.

6. Authority to Execute Agreement

Each person executing this Agreement on behalf of the respective parties represents that he or she has is authorized to do so by the Parties’ respective governing Commissions, has consulted with legal counsel, and does so with a full understanding of the legal effect of the Agreement

7. Future Damages

Inasmuch as the injuries, damages, and losses resulting from the Dispute may not be fully known and may be more numerous or more serious than it is now understood or expected, the Parties agree, as a further consideration of this Agreement, that this mutual release applies to any and all injuries, damages, and losses resulting from the Dispute described herein, even though now

unanticipated, unexpected and unknown, as well as any and all injuries, damages, and losses which have already developed and which are now known or anticipated.

8. Severability

Should any provision of this Agreement be determined to be unenforceable, all remaining tenants and clauses shall remain in force and shall be fully severable.

9. Final Agreement

This written Agreement constitutes the final agreement between the Parties and shall supersede any oral agreements to the contrary.

10. Binding Agreement

This written Agreement is binding upon both Parties' successors, assigns, agents, partners, officers, directors, members, managers, and employees for each person or entity executing this Agreement.

11. Choice of Law

The laws of the State of Montana shall apply to the interpretation of this Agreement.

12. Counterparts

This Agreement may be executed in counterparts. Each counterpart bearing original signatures together with the Agreement shall constitute one instrument. Electronic or facsimile copies of signature pages shall be considered and are hereby deemed to be original signatures for all purposes.

[SIGNATURE PAGE FOLLOWS]

Releasor/Releasee – Gallatin County, Montana

By: Scott MacFarlane
Chair, Gallatin County Commission

Date

STATE OF MONTANA)
 :ss.
County of Gallatin)

This instrument was acknowledged before me on the _____ day of November, 2021, by
Scott McFarlane, Chair, Gallatin County Commission.

Notary Public for the State of Montana
Typed or Printed Name: _____
Residing at: _____
My Commission Expires: _____, 20__

Releasor/Releasee – City of Bozeman, Montana

By: Cyndy Andrus, Mayor
Bozeman City Commission

Date

STATE OF MONTANA)
 :ss.
County of Gallatin)

This instrument was acknowledged before me on the _____ day of November, 2021, by
Cindy Andrus, Mayor, Bozeman City Commission.

Notary Public for the State of Montana
Typed or Printed Name: _____
Residing at: _____
My Commission Expires: _____, 20__

2021 SEP 23 PM 2:29

FILED

MONTANA EIGHTEENTH JUDICIAL DISTRICT COURT, GALLATIN COUNTY

BY DEPUTY

GALLATIN COUNTY, MONTANA, Plaintiff, v. THE CITY OF BOZEMAN, Defendant.	Cause No.: DV-20-10B ORDER ON MOTIONS FOR PARTIAL SUMMARY JUDGMENT
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Before the Court are Plaintiff's Motion for Partial Summary Judgment on Counts I, II, IV and V of the First Amended Complaint¹, and Defendant's Motion for Partial Summary Judgment. Both motions have been fully briefed and the Court held a hearing on March 25, 2021. From the oral arguments and its review of the briefs, the Court is fully advised.

BACKGROUND

In September 2002, Gallatin County (County) entered into an agreement to purchase land, located within the City of Bozeman (City), from Baxter Meadows Development, L.P. (Baxter Meadows) to develop the Gallatin County Regional Park facility ("Purchase Agreement"). The subject property is encumbered by the Baxter Meadows Annexation Agreement ("Annexation Agreement") entered into by the City and Baxter Meadow's predecessor, WBC, LP. The Annexation Agreement allowed annexation of approximately 460 acres of property (including the

¹ Since moving for summary judgment, the County filed Second and Third Amended Complaints. The Court takes notice that the Second and Third Amended Complaints consist of the same claims as the First Amended Complaint and simply updates the assessment amounts paid by the County under protest. The Court considers the County's motion as one for summary judgment on the Third Amended Complaint (hereinafter "Complaint").

property purchased by the County) into the City pursuant to the specific provisions of the Agreement. The Annexation Agreement is recorded against title to the County property. The following provisions of the Annexation Agreement are material to the claims in this case.

Paragraph 12 (p. 9) provides, as partial consideration for annexation, “a Waiver of the Right-to-Protest Creation of Special Improvement District for street improvements” that included improvements to Davis Lane, Ferguson Road, and Oak Street.

Paragraph 14 (p. 9) requires conveyance of easements for major arterials (including Oak Street) and collectors (including Ferguson Ave. adjacent to County’s property).

Paragraph 18 (p. 11) states, “[i]n the event it becomes necessary for either party to this Agreement to retain an attorney to enforce any of the terms or conditions of this Agreement, then the prevailing party shall be entitled to reasonable attorney’s fees and costs, to include the salary and costs of in-house counsel including the City Attorney.”

Paragraph 23 (p. 12) states, “[t]his Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective heirs, successors and assigns.”

A Waiver of Right-to-Protest Creation of Special Improvement Districts Street, Water, Sewer Baxter Meadow Annexation (“SID Waiver”), as called for in ¶12 of the Annexation Agreement, is included as Exhibit A to the Annexation Agreement. It provides in pertinent part:

In consideration of receiving approval for annexation of the subject property from the City of Bozeman, along with accompanying rights and privileges and for other and valuable consideration, the receipt of which is hereby acknowledged, and in recognition of the impacts to streets, city water, and city sewer; specifically, to Baxter Lane, Davis Lane/Fowler Road, Deadman’s Gulch Road, Ferguson Road and Oak Street which will be caused by the development of the above-described property, the owner has waived and does hereby waive for itself, its successors and assigns, the right to protest the creation of one or more special improvement districts for street improvements including paving, curb/gutter, signals, sidewalk, and storm drainage facilities to Baxter Lane, Davis Lane/Fowler Road, Deadman’s Gulch Road, Ferguson Road and Oak Street; trunk water mains and appurtenances to serve the property; trunk sewer mains and sewage lift stations to serve the property; or to make any written protest against the size of area of creation of the district to be assessed in response to a duly passed resolution of intention to create one or more special improvement districts which would include the above-described property.

In the event Special Improvement Districts are not utilized for the completion of these projects, we agree to participate in an alternate financing method for

completion of said improvements on a fair share, proportionate basis as determined by square footage of the property, linear front footage of the property, taxable valuation of the property, or a combination thereof.

This waiver shall be a covenant running with the land and shall not expire.

The terms, covenants and provisions of the Waiver shall extend to, be binding upon the successors-in-interest and assigns of the parties hereto.

An addendum to the Purchase Agreement provides, “SELLERS additionally agree to indemnify, hold harmless and defend BUYERS from any charges, claims, suits and fees by the City of Bozeman based on, in whole or in part, Paragraph 12 of the Annexation Agreement and the Waiver.”

In September 2002, a Warranty Deed granting the County title to the property at issue was recorded in Gallatin County. In March 2003, the County conveyed easements to the City for Ferguson Avenue and Oak Street pursuant to ¶14 of the Annexation Agreement. In 2004, the County sent duplicate letters to all three members of Montana’s congressional delegation requesting \$2,040,984.81 for street improvements adjacent to the County’s property, referring to them as “desperately needed facilities” to “assist in the economic development of a major growth corridor in the City of Bozeman and in Gallatin County.”

In 2008, Baxter Meadows sued the County for breach of the Purchase Agreement (Cause No. DV-08-272A), alleging claims unrelated to the street improvements at issue here. That case lingered and in 2015, the County counterclaimed for judgment declaring Baxter Meadows’ “obligation to satisfy Paragraph 12 of the Annexation Agreement with the City of Bozeman or to indemnify County therefore.”

To support its claim against Baxter Meadows, the County requested the City to invoice the County for the estimated cost of the anticipated improvements required in ¶12 of the Annexation Agreement. The City delivered the estimated invoice to the County in February 2015. The City’s

invoice included detailed pricing estimates prepared by a contractor hired by Flanders Mill LLC (“Flanders Mill”).

The County sent the invoice to its engineer who confirmed that the City’s proposed cost-share for the County’s share of the street improvements was reasonable. Thereafter, the County prepared its own separate invoice based on the one it received from the City, which the County then presented to Baxter Meadows with a demand for payment under the alternative financing method provided for in the Annexation Agreement. The County’s invoice states, “Gallatin County has received a statement from the City of Bozeman showing the county’s obligation for the extension of Ferguson as follows...”

Based upon the invoice from the City and the Annexation Agreement requirement to “participate in an alternative financing method for completion of said improvements on a fair share, proportionate basis,” the County moved for summary judgment against Baxter Meadows. Through its motion, the County sought payment of its invoice and requested a declaration that Baxter “would be financially responsible for any subsequent improvement costs arising under Paragraph 12 of the Annexation Agreement.” Concurrent with the filing of its summary judgment motion for a declaration that Baxter Meadows must indemnify “the county’s obligation for the extension of Ferguson” the County sent a letter to the City repudiating any obligation to pay the City invoice for improvements to Ferguson. In July 2015, the County’s summary judgment motion was denied. In September 2015, the parties stipulated to dismissal and Cause No. DV-08-272A was dismissed with prejudice. This Court was not provided with the specific terms of the Stipulation reached between the County and Baxter Meadows.

In early 2017, the City moved forward with plans to improve Ferguson and Oak as part of a larger project called the Westside Construction Project, which included improvements to other

area streets to be paid for through cost sharing agreements between the City, Flanders Mill LLC, and Bozeman School District No 7. At that time, the County knew Flanders Mill was negotiating with SIME Construction (“SIME”) to build improvements to Oak and Ferguson adjacent to the County’s property.² The terms of payment for the improvements are set forth in an agreement between the City and Flanders Mill – the Payment and Repayment Agreement for Westside Construction Project (“Westside Agreement”). The Agreement provides:

Whereas, concurrent with Flanders Mill’s construction of the Flanders Mill Project, the City desires to provide for completion of the ‘City Project’ which includes: (i) public infrastructure improvements to Oak Street between Ferguson Avenue and New Holland Avenue including land adjacent to real property owned by Gallatin County, known as the Gallatin County Regional Park; (ii) public infrastructure improvements to the intersection of Davis Lane and Oak Street and the intersection of Oak Street and Ferguson Avenue; (iii) public infrastructure improvements to Flanders Mill Road adjacent to the Bozeman Sports Park and property owned by the Bozeman School District 7; and (iv) public infrastructure improvements for the non-local share of Ferguson adjacent to the Gallatin County Regional Park; and

Whereas, the City requested and Flanders Mill, with a full understanding of its risks and liabilities, agrees to contract for and oversee construction of the City Project and the Flanders Mill Project (collectively referred to as the ‘Westside Project’); and

Whereas, the City and Flanders Mill desire to enter into this agreement to provide the terms and conditions for the City to pay Flanders Mill for costs associated with the City Project and to establish terms and conditions for Flanders Mill to defer certain required public improvements associated with the Subdivision.

The Westside Agreement was approved by the City Commission on March 20, 2017. The same day, the Commission approved the Resolution of Intent to Create SID 740 (“Resolution 4771”). SID 740 assessed a portion of the costs of the improvements included in the Westside Construction Project against Gallatin County’s Regional Park. In advance of Commission approval, the City sent the County a copy of the proposed resolution of intent and the Commission

² In January 2017, County Administrator, Jim Doar, sent himself an email which reflects the County’s knowledge that the developer for Flanders Mill, Walt Wolf, was negotiating with SIME to complete the improvements.

memorandum. The ‘project cost’ section of the Commission memorandum established the estimated share to be paid by SID 740 was \$1,062,138.50. The up-front cost of the SID 740 share was to be paid for using funds held by the Arterial and Collector Street Special District (“A&CD”). Money advanced by the A&CD was to be repaid by assessments levied under SID 740. The estimated costs were prepared by SIME and were attached to Resolution 4771 and the Westside Agreement. The actual cost of improvements paid for by the A&CD was \$902,424.65.

The County admits it had full knowledge of the Westside Agreement on March 20, 2017. That day, the Gallatin County Commission met to consider its position regarding assessments to be levied under SID 740. Minutes from that meeting state,

If this SID is approved, the County is prepared to file a protest within 15 days, and possibly continue with a lawsuit. Ms. Arnold [from the County Attorney’s office] stated that the creation of this SID, and the method of assessment is not legal. Commissioner Skinner requested Ms. Arnold to focus solely on this issue.

Notice of Passage of Resolution 4771 was delivered to the County and published. On April 3, 2017, the County filed a written protest to creation of SID 740. That protest was followed on April 10, 2017 with a comment letter detailing the County’s legal position. On April 17, 2017, the City Commission conducted a public hearing on protests. Thereafter, the Commission passed a resolution creating SID 740 (“Resolution 4772”). Resolution 4772 found the County’s protest was invalid based on the recorded SID Waiver in which the owner (at the time, WBC, LP) waived, for itself and its successors and assigns (Baxter Meadows and the County), the right to protest the creation of an SID for the purpose of paying for improvements to Oak and Ferguson.

SIME began constructing improvements adjacent to the Regional Park facility the last week of April 2017. The City needed additional right-of-way (ROW) from the County to construct the Oak Street improvements. Minutes from the County Commissioners’ meeting of May 8, 2017 reflect the County approved sale of that ROW to the City for \$161,000. During that meeting, “a

Commissioner requested proceeding with the SID lawsuit after payment for the easement is received.”

The County admits it made no plans and had no intention to construct any of the subject improvements. Before filing suit, the County took advantage of SIME’s presence to have some utility work done on the County’s property. This allowed the County to avoid paying the additional costs of mobilization of equipment.

On August 1, 2017, the County Attorney delivered a draft complaint against the City, alleging SID 740 was not lawfully created. The County served its complaint toward the end of August 2017 (Cause No. DV-17-742A). By that time, the improvements to Ferguson and Oak were nearing completion.

In February 2018, the City’s motion to dismiss the County’s complaint in Cause No. DV-17-742A was granted. The Court agreed with the City’s argument that the complaint was premature, and the case was dismissed without prejudice for failure to state a claim. Thereafter, the City Commission adopted Resolution 4908 to dissolve SID 740 to accurately assess the cost of improvements and to “address alleged shortcomings in the creation of SID 740.”

On May 21, 2018, the City Commission passed Resolution 4892 declaring the City’s intent to create Special Improvement District 745 (“SID 745”) to pay the A&CD \$903,424.65 for existing improvements to Oak Street and Ferguson Avenue. Resolution 4892 declares that property within SID 745 is benefitted by those improvements. Notice of passage of Resolution 4892 was delivered to the County. Notice was also published in the Bozeman Daily Chronicle on May 27 and June 3, 2018. The County protested creation of SID 745. On June 18, 2018, the Commission conducted a public hearing on that protest. On April 22, 2019, the Commission passed a resolution creating SID 745 (“Resolution 4893”). Resolution 4893 states the County’s protest to creation of SID 745

was determined invalid based on the recorded SID Waiver in which the owner (at the time, WBC, LP) waived, for itself and its successors and assigns (Baxter Meadows and the County), the right to protest the creation of an SID for the purpose of paying for improvements to Oak and Ferguson.

On September 13, 2019, the County objected to proposed Commission Resolution 4894 Levying a Special Assessment on property in SID 745. On September 16, 2019, the City adopted Resolution 4894, together with Resolution 5044, approving and ratifying the sale of warrants to pay the A&CD for the existing improvements authorized by the creation of SID 745. On September 19, 2019, the City issued Warrant Nos. SID745-01, SID745-02, and SID745-03 in the aggregate amount of \$903,424.65.³ The A&CD is the registered owner of those warrants, which are secured by assessments levied against benefited property in SID 745.

On November 26, 2019, the County paid the first SID 745 assessment under protest. On January 7, 2020, the County filed its Complaint for Declaratory Relief, Upholding Protest, and Permanent Injunctive Relief. The City answered and counterclaimed. The County has since paid three additional SID 745 assessments under protest.

SUMMARY OF PARTIES' POSITIONS

The County contends that SID 745 is *void ab initio* because the City did not invite bids prior to the performance of work contemplated in the Westside Agreement. The County alleges that 1) the failure to advertise for bids renders the Westside Agreement unlawful; 2) the failure to properly award a contract unlawfully deprived the County of its right to contract directly for improvement work that is the subject of assessments levied against the County's property; and 3) that the City unlawfully modified the theory under which the assessments are being levied from SID 740 (for recovery of construction costs) to SID 745 (recovery of payment for existing

³ The amount warranted includes payment to the A&CD in the amount of \$902,424.65 and \$1,000.00 for payment of authorized incidental expenses. See § 7-12-4169(1), MCA.

improvements). The County contends that because SID 745 is *void ab initio* any assessment levied pursuant to SID 745 is necessarily unlawful. Finally, the County contends the City must be enjoined from recovering any cost for improvements called for in the Annexation Agreement.

The City argues that the jurisdictional requirements for ordering the improvements were satisfied and the City has broad statutory authority to correct alleged nonconformities. The City argues it exercised that power by dissolving SID 740 and creating SID 745 under a provision that authorizes cities to pay for existing improvements without inviting bids. The City asserts summary judgment should be granted on counterclaim 4, declaring that SID 745 was properly created and correctly assessed. If the court grants summary judgment on counterclaim 4, the City asserts the second amended complaint should be dismissed because the County's recovery action rests solely on allegations that SID 745 is *void ab initio*.

Apart from statutory arguments related to creation of SID 745, the City contends the County is contractually obligated under the Annexation Agreement to pay for a share of the costs of improvements to Oak Street and Ferguson Avenue either by SID or an alternate financing method. The City requests summary judgment on counterclaim 2 because the County filed a protest in breach of the SID Waiver. The City also requests summary judgment on counterclaim 5 declaring the County must pay under the alternate financing method and that \$903,424.65 is a fair and proportionate cost-share for the subject improvements. The County responds the City cannot enforce the alternate financing provision because the City elected to create SID 745 to collect the cost of improvements and because the provision is too vague. The City replies that if SID 745 were void the alternate financing method still applies and having breached the SID Waiver and having pursued indemnification from Baxter Meadows under the alternative financing obligation, the County cannot now avoid the alternative obligation.

Finally, the City requests an award of fees and costs, pursuant to ¶ 18 of the Annexation Agreement, or in the form of supplemental relief under the Uniform Declaratory Judgment Act.

STANDARDS OF REVIEW

Summary judgment is only proper when “the pleadings, the discovery and disclosure materials on file, and any affidavits show that there is no genuine issue as to any material fact and that the movant is entitled to judgment as a matter of law.” Rule 56(c)(3), Mont. R. Civ. P. Summary judgment is an extreme remedy which should not replace a trial on the merits where there are material factual disputes. The party moving for summary judgment has the initial burden of establishing the absence of genuine issues of material fact. The burden then shifts to the party opposing summary judgment to show, by more than mere denial or speculation, that there are genuine issues of material fact to be resolved. “[A]ll reasonable inferences which can be drawn from the evidence presented should be drawn in favor of the non-moving party.” *Lee v. Great Divide Ins. Co.*, 2008 MT 80, ¶ 10, 342 Mont. 147, 182 P.3d 41.

The interpretation of a statute is a question of law that may be reviewed for correctness. *Clark Fork Coal. v. Tubbs*, 2016 MT 229, ¶ 18, 384 Mont. 503, 380 P.3d 771. Issues of justiciability such as standing, and ripeness also are questions of law. *Weems v. State*, 2019 MT 98, ¶ 7, 395 Mont. 350, 440 P.3d 4. The decision to dismiss a complaint for declaratory judgment is reviewed for abuse of discretion. *Brisendine v. State, Dept. of Commerce*, 253 Mont. 361, 364, 833 P.2d 1019, 1020 (1992) (citations omitted). A denial of a permanent injunction is reviewed for manifest abuse of discretion. *Shammel v. Canyon Res. Corp.*, 2003 MT 372, ¶¶ 11-12, 319 Mont 132, 82 P.3d 912.

DISCUSSION

1. Westside Agreement

Title 7, Chapter 5, Part 43, MCA, applies to municipal contracts and states:

7-5-4302. Competitive, advertised bidding required for certain purchase and construction contracts. (1) Except as provided in 7-5-4303, 7-5-4310, or Title 18, chapter 2, part 5, a contract for the purchase of any automobile, truck, other vehicle, road machinery, other machinery, apparatus, appliances, equipment, or materials or supplies or for construction, repair, or maintenance in excess of \$80,000 must be let to the lowest responsible bidder after advertisement for bids.

The City argues § 7-5-4302, MCA is only applicable when the City lets a contract and, in this instance, the City did not let the contract for the Ferguson and Oak improvements. Pursuant to the Westside Agreement, Flanders Mill was responsible for building public infrastructure adjacent to the Flanders Mill subdivision which included the street improvements adjacent to the Regional Park. Under the Agreement, Flanders Mill was obligated to contract for and oversee the construction of these improvements. Flanders Mill contracted with SIME to complete the work.

The County alleges, “The City’s negotiation with Flanders Mill, LLC, its ‘Payment and Repayment Agreement for Westside Construction Project’ with Flanders Mill, and the subsequent construction of street improvements, without public bidding, were unlawful.” As a result, the County alleges SID 745 is void *ab initio*.

As the City’s failure to seek bids stems from the Westside Agreement, the Court must first look to the County’s allegation that the Westside Agreement was unlawful.

The requirements for challenging a municipal contract, such as the Westside Agreement, are established as follows:

(1) the plaintiff must timely assert its claim as an aggrieved taxpayer; (2) the claim must seek a remedy - such as an injunction, a writ of mandamus, or a declaratory judgment - that will protect the rights of the aggrieved taxpayer from the potential harm that will occur; and (3) the plaintiff must then show that the process by which the public works contract was awarded resulted from an abuse of discretion - i.e.,

the municipality's discretionary decision was tainted by an act of bad faith, fraud, corruption, or was otherwise arbitrary in some manner.

Debcon v. City of Glasgow, 2001 MT 124, ¶ 44, 305 Mont. 391 28 P.3d 478.

The Court finds the County is barred from challenging the Westside Agreement on three independent grounds: (1) absence of bad faith, fraud, or corruption; (2) timeliness; and (3) principles of equity.

a. Absence of Bad Faith, Fraud, or Corruption

A municipal contract will not be disturbed in the absence of bad faith, fraud, or corruption. *Debcon*, ¶¶ 43-44. In *Heritage Commer. Contrs., Inc. v. City of Helena*, a contractor challenged the City of Helena's award of a contract to another contractor where Helena did not comply with the statutory bidding procedures. Helena maintained it was not required to advertise for bids as the contract was for less than \$25,000 (the statutory limit at that time). The Montana Supreme Court held, "Regardless of bidding or no bidding, the only way this Court will review an agency's discretionary rulings – which would involve the decision in this case – is whether the action taken by the governmental agency was conducted in bad faith, with fraud, or under the influence of corruption." *Heritage Commer. Contrs., Inc. v. City of Helena*, 272 Mont. 90, 92, 899 P.2d 1076, 1077 (1995). In the absence of evidence of bad faith, an aggrieved taxpayer lacks standing to challenge a municipal contract. *Heritage*, 272 Mont. at 92-93, 899 P.2d at 1077-1078. In this case, the County does not allege bad faith, fraud, or corruption and therefore lacks standing to challenge the Westside Agreement.

b. Untimely

Challenges to a municipal contract must be timely made to prevent potential harm to the taxpayer. *Debcon*, ¶ 44.

The County admits it had knowledge of the Westside Agreement on March 20, 2017. The record shows on that date the County believed the City's method of assessment was unlawful and that it was prepared to file a lawsuit if the City proceeded to assess the County for the street improvements.

Construction on the Westside Construction Project began in the last week of April in 2017. While the County had been aware of the Westside Agreement for more than a month prior to the commencement of construction and was prepared to challenge the legality of the City's planned assessments, the County took no action to enjoin the City from proceeding with the planned improvements. Instead, the County allowed construction to proceed and took advantage of SIME's presence in the vicinity and contracted with SIME to complete utility work without having to pay SIME's mobilization costs. In May of 2017, the County also decided to delay filing any action against the City until after the City paid the County \$161,000 for a right-of-way necessary to complete the Oak Street improvements.

Rather than filing an action prior to the commencement of construction to prevent the known alleged harm, the County obtained benefits from the project and delayed filing an action until August 29, 2017 when the Westside Construction Project was nearing completion. The Court finds the County failed to timely challenge the Westside Agreement to prevent the harm it now alleges and is now precluded from challenging the Agreement.

c. Equity

As with municipal contracts, the Montana Supreme Court has also addressed the timing of actions by property owners seeking to avoid paying a share for beneficial improvements. Specifically,

It has been held by [the Supreme Court] that the owner of property within a special improvement district cannot sit by and see improvements made benefiting

his property and increasing its value, and then, after such improvements are made, refuse to pay for the same.

Swords v. Simineo, 68 Mont. 164, 172, 216 P. 806, 808 (1923) (citing *Power v. City of Helena*, 43 Mont. 336, 342, 116 P. 415 (1911)). Decades later the Court reiterated this equitable principle in the context of a rural improvement district:

[T]he doctrine of estoppel in pais is applicable here; * * * that now, after the expense has been incurred, the improvement made, and warrants issued, it would be altogether inequitable to permit the plaintiff to escape his proportion of the tax.

Studer Const. Co. v. Rural Special Imp. Dist. No. 208, 148 Mont. 200, 206, 418 P.2d 865, 868 (1966) (quoting *Power, supra*).

Prior to construction, the County knew about the Westside Agreement and that the City did not bid the project. The County took no action to try to stop the project and require the City to seek bids. Rather, the County sat by while improvements benefiting County property were made. Principles of equity now preclude the County from escaping the cost of improvements based on the City's failure to invite bids.

d. Conclusion Re: Westside Agreement

The City utilized the Westside Agreement to contract for the construction and financing of certain street improvements with Flanders Mill. The terms of the Agreement required Flanders Mill to contract for and oversee construction of the Westside Project, allowing the City to avoid its obligation to advertise for bids pursuant to § 7-5-4302, MCA. Through its ruling here, the Court is making no determination as to whether the City was legally permitted to enter the Westside Agreement, thereby bypassing the requirements of § 7-5-4302, MCA. Rather, the Court's holding is limited to finding the County is precluded from challenging the Agreement as a means to avoid its obligations.

Having determined that the County may not challenge the Westside Agreement, that Agreement and the resulting effect of not bidding the Westside Construction Project cannot form the factual or legal basis for any of the County's claims. Therefore, Counts I and II of the County's Complaint fail as a matter of law.

2. Statutory Authority for SID 745

Section 7-12-4102, MCA, establishes when a city is authorized to create an SID. Section 7-12-4153, MCA, does not in itself establish authority to create an SID. Rather, it establishes the manner in which the City may purchase an existing improvement after the creation of an SID.

If the proposed improvement consists of the purchase of an existing improvement, the city council may, after the creation of the special improvement district and after ordering the proposed improvement, enter into a contract for the purchase of the improvement, upon such terms as it considers just, without advertising for bids or proposals. However, the total purchase price of the existing improvement may not exceed the amount set forth in the notice required by 7-12-4106.

§ 7-12-4153, MCA. Thus, a city must first have authority to create an SID pursuant to § 7-12-4102, MCA, and then, if the SID is being utilized to purchase an existing improvement, the city may proceed under § 7-12-4153, MCA.

The City argues it was authorized to create SID 745 pursuant to § 7-12-4102(2)(d)(vii), MCA, which provides that the City may "create special improvement districts and order the acquisition, construction, or reconstruction within the districts of...the opening of streets, avenues, and alleys..." The City contends it is acquiring/purchasing the street improvements which are now complete and existing from the A&CD. The City argues it is permitted to purchase those existing improvements without seeking bids pursuant to § 7-12-4153, MCA.

The Court finds the City's attempt to fit the Oak and Ferguson street improvements into the above cited SID statutory scheme defies a common sense reading of the statutes. The City did not order the acquisition of the opening of a street pursuant to § 7-12-4102(2)(d)(vii), MCA. In

other words, the City did not procure new, but existing, streets. The City already owned the rights-of-way to build or improve Oak and Ferguson. The City entered into the Westside Agreement for the purpose of improving those existing City streets/rights-of-way. The Court is not persuaded by the City's position that now that the improvements are complete, it is purchasing the existing improvements from the A&CD. The improvements to Oak and Ferguson cannot be separated from the streets themselves. The A&CD was used as a means to finance the improvements, but the A&CD does not own the improvements separate from the City's ownership in the streets. Thus, there is no basis for the City to purchase the improvements from the A&CD.

The proper statutory provision that would authorize the creation of an SID for the street improvements identified in the Westside Agreement is § 7-12-4102(g), MCA, which provides that a city may "create special improvement districts and order work to be done that is considered necessary to improve the whole or a portion of the streets, avenues, sidewalks, alleys, places, or public ways, property, or right-of-way of the city." The City may have also relied on the construction or reconstruction, rather than acquisition, of the opening of streets as provided in § 7-12-4102(2)(d)(vii), MCA. Under either provision, the work does not constitute the purchase of an existing improvement. Therefore, the City's reliance on § 7-12-4153, MCA, as the basis for the creation of SID 745 was not proper. SID 745 is *void ab initio* as it was not created under proper statutory authority. As a result of this determination, the County prevails on Counts 3 of its Complaint and the City's Counterclaim 4. Additionally, as SID 745 is *void ab initio*, the County's payment of assessments under protest was proper and the County is entitled to summary judgment in its favor on Count 4 of its Complaint.

The Court further finds that because SID 745 was not lawfully created, the County was entitled to protest the creation of the SID despite the Waiver of the Right-to-Protest Creation of

Special Improvement District. “If any underlying principle can be said to govern the waiver, or the loss by estoppel, of the right to object to an assessment for a street or sewer improvement, it is that a property owner cannot ordinarily waive or become estopped to urge the invalidity of an assessment which is void by reason of an inherent defect, either of jurisdiction or of procedure.” *Smith v. Bozeman*, 144 Mont. 528, 541, 398 P.2d 462, 469 (1965). While the City attempts to distinguish this holding on the basis that it applies to protesting an assessment rather than the creation of the SID, the Court finds it should be equally applicable where a property owner is challenging a procedural or jurisdiction defect in the creation of an SID. The SID Waiver did not require the County to sit idly by while the City proceeded under improper legal authority. The Court concludes the County did not breach the SID Waiver by protesting the creation of SID 745. The County is entitled to judgment on the City’s Counterclaim 2.

3. Alternate Financing Method

The City moved the court for an order on summary judgment declaring that if the SID assessments were found unlawful, the County remains obligated to pay for the improvements under the alternative financing method. The City argues that the Annexation Agreement provides two methods of financing the obligation of property owners to pay for completing certain improvements. The Annexation Agreement allows property owners to pay a share of improvements by SID assessments or by an alternate financing method.

The County argues the SID Waiver is written in the disjunctive. According to the County, the City cannot enforce a requirement to pay for improvements under an alternate financing method because it elected use an SID to complete the projects. The County also argues that the alternate financing method cannot be enforced because the language of the SID Waiver does not specify timing, nature, and cost of the improvements.

The SID waiver states:

In the event Special Improvement Districts are not utilized for the completion of these projects, we agree to participate in an alternate financing method for completion of said improvements on a fair share, proportionate basis as determined by square footage of the property, linear front footage of the property, taxable valuation of the property, or a combination thereof.

The County appears to believe that if SID 745 is found unlawful, the County is excused from paying anything for the required improvements. The Court disagrees. The plain language and unambiguous intent of the Annexation Agreement is to ensure property owners who benefit from annexation will pay a share of the cost for improvements to infrastructure made necessary by the addition of property to the City. Two methods of financing the owners' share of those improvements are provided. If the property owner's share of costs for improving Ferguson and Oak is not paid for by use of an SID (i.e., assessments), the property owner must pay a fair and proportionate share under an alternate financing method. If SID 745 is *void ab initio*, it never existed. *Erler v. Creative Fin. & Investments, L.L.C.*, 2009 MT 36, ¶ 22, 349 Mont. 207, 203 P.3d 744; *Bingham v. Nat'l Bank of Montana*, 105 Mont. 159, 72 P.2d 90, 97 (1937). It follows that an SID that never existed cannot be used to complete the improvements, leaving the County "to participate in an alternate financing method for completion of said improvements on a fair share, proportionate basis."

The County does not allege that \$903,424.65 is unfair or disproportionate. The County does not assert it should pay less. The County asserts instead that it should pay nothing. Under the Annexation Agreement, the County, as a successor to Baxter Meadows, is obligated to pay a share for the subject improvements. Nothing in the plain language of the Annexation Agreement or SID Waiver excuses the County from paying for improvements to support development made possible by the City's agreement to annex the property and made necessary by the County's subsequent development of that property.

The County contends that the Court's interpretation of the SID Waiver is controlled by the holding in *Covenant Investments, Inc. v. First Sec. Bank*, 2014 MT 14, 373 Mont. 353, 317 P.3d 197. In that case, First Security Bank (FSB) was bound by an SID Waiver (with language substantially similar to the SID Waiver at issue in this matter), executed by its predecessor in interest in 2004. After the Waiver was executed, Covenant Investments paid for all intersection improvements at the corner of Huffine and Cottonwood Road. In 2007, FSB constructed and took occupancy of its bank at the corner of Huffine and Cottonwood. Covenant sought payment from FSB for its fair and proportionate share of the improvements pursuant to the alternative financing provision of the Waiver. FSB refused to pay, and Covenant Investments initiated litigation. *Covenant Investments*, ¶¶ 4-5.

The Montana Supreme Court found that the Waiver was void for lack of certainty because it did not provide adequate detail regarding the timing, nature, and cost of the subject improvements. The Court further found that Covenant Investments undertook the improvements unilaterally without notifying or seeking participation from FSB or its predecessor. The Court found that the Waiver did not contemplate such unilateral action but reflected an intention that the parties would jointly participate in the planning, financing, and completion of the improvements. As such, the Court concluded "that by acting unilaterally Covenant waived its right to belatedly demand enforcement of the Waiver provision." *Id.*, ¶ 17.

This case is distinguishable from *Covenant Investments*. Unlike the parties in *Covenant Investments*, where there was only a waiver executed solely by FSB's predecessor, the City and County are in privity of contract under the Annexation Agreement which incorporates the SID Waiver executed by both the County's predecessor in interest and the City. The County was aware of its obligation to pay a fair and proportionate share of the street improvements as identified in

the SID Waiver. The County's knowledge of its obligation under the Annexation Agreement and SID Waiver is demonstrated through the addendum to the purchase agreement with Baxter Meadows which attempted to shift the responsibility for the street improvement costs to Baxter Meadows. In 2004, the County further recognized its obligation when it requested federal support for constructing the "desperately needed" street improvements and provided a cost estimate for the needed improvements. The County purchased the property with its eyes wide open and with a clear understanding of the timing, nature, and cost of the subject improvements.

Additionally, unlike *Covenant Investments*, the City did not unilaterally complete the street improvements without the County's knowledge of the improvements that were to be completed and a cost estimate for those improvements. At the end of 2014, there were communications between the City and County regarding the proposed improvements, the costs of the improvements, and how the County would pay its share of those costs. In 2015, the County requested an invoice from the City for the County's share of the costs for the proposed street improvements. The City provided the County with an invoice in the amount of \$326,367.00, along with a contractor's estimate, for improvements to Ferguson. In January 2017, County Administrator, Jim Doar, sent himself an email regarding the cost estimates for the Oak (\$600,000) and Ferguson (\$333,000) improvements which identified potential mechanisms by which the County would pay its share of the improvements. The Doar email also reflected the County's knowledge that the developer for Flanders Mill, Walt Wolf, was negotiating with SIME to complete the improvements. The County was not left out of the process to simply be billed at the end as was seen in the *Covenant Investments* case.

Based on the plain language and unambiguous intent of the Annexation Agreement, the Court declares that the County remains subject to the Annexation Agreement requirement to pay

a fair and proportionate share of the improvement costs. The court further declares in the absence of any genuine issue of material fact or argument by the County, that \$903,424.65 is a fair and proportionate share for the cost of the improvements made to Ferguson and Oak adjacent to the County's property. The City is entitled to summary judgment in its favor on its Counterclaim 5 and Count 5 of the Complaint.

4. Attorney Fees

The City moves for attorneys' fees and costs pursuant to the Annexation Agreement, or as supplemental relief pursuant to § 27-8-313, MCA, of the Uniform Declaratory Judgment Act. Paragraph 18 of the Annexation Agreement provides,

[i]n the event it becomes necessary for either party to this Agreement to retain an attorney to enforce any of the terms or conditions of this Agreement, then the prevailing party shall be entitled to reasonable attorney's fees and costs, to include the salary and costs of in-house counsel including the City Attorney.

The SID Waiver is incorporated into the Annexation Agreement via paragraph 12 of the Agreement and its attachment as Exhibit A to the Agreement.

"Generally, the party receiving a net benefit from the judgment is the prevailing party." *Kenyon-Noble Lumber Co. v. Dependant Founds., Inc.*, 2018 MT 308 ¶ 18, 393 Mont. 518, 432 P.3d 133. In this case, the City prevailed in enforcing the terms of the Annexation Agreement with the Court concluding the County is responsible for paying a fair and proportional share of the costs for street improvements to Oak and Ferguson pursuant to the alternative financing provision of the SID Waiver. Thus, the Court concludes the City is the prevailing party in this matter and is entitled to attorneys' fees and costs under the Annexation Agreement.

However, the City is not entitled to all attorneys' fees it incurred in this matter. "In a case involving multiple claims or theories, an award of attorney fees must be based on the time spent by the prevailing party's attorney on the claim or theory under which the attorney fees are

allowable.” *Id.*, ¶ 26 (internal quotations and citation omitted). In this case, the parties’ claims and counterclaims presented various alternative theories for recovery. The City directed considerable effort defending the validity of SID 745 but it did not prevail on that issue. Rather, the City prevailed under its alternative financing theory of recovery which represented only a fraction of the City’s efforts. Thus, the attorneys’ fees must be limited to an amount commensurate with the time spent on the prevailing argument.

As the Court finds the City is entitled to its attorneys’ fees pursuant to contract, it declines to address whether the City would be entitled to attorneys’ fees pursuant to the Uniform Declaratory Judgment Act.

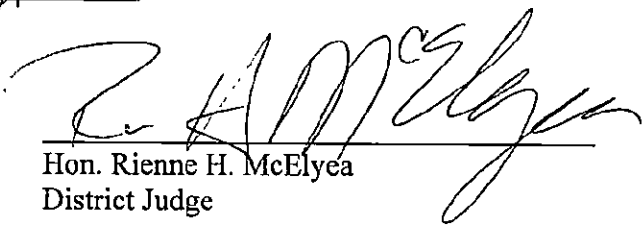
ORDER

IT IS HEREBY ORDERED:

1. The City is entitled to summary judgment in its favor on Counts 1, 2, and 5 of the County’s Third Amended Complaint. The City is entitled to summary judgment in its favor on its Counterclaim 5.
2. The County is entitled to summary judgment in its favor on Counts 3 and 4 of the Third Amended Complaint. The County is entitled to summary judgment in its favor on the City’s Counterclaims 2 and 4.
3. Within fourteen (14) days from the date of this Order, counsel for the City shall provide to the County’s counsel and file with the Court:
 - a. An affidavit of the City’s total reasonable attorneys’ fees incurred in this action.
 - b. A separate affidavit of the City’s reasonable attorneys’ fees incurred in pursuing its fifth Counterclaim and its argument that the County is precluded from challenging the Westside Agreement.

4. Within fourteen (14) days thereafter, the County shall either pay the attorneys' fees and costs as stated by the City in the affidavit as described paragraph 3b. above, or file with this Court a notice of objection, specifying the County's objections to the City's requested attorneys' fees. In the event of such an objection, the City's attorney shall request a hearing date from the Court.
5. Within fourteen (14) days of the date of this Order, the City shall notify the Court on how it wishes to proceed with its Counterclaims I and III which were not addressed in the parties' motions or this Order.

DATED this 23 day of September, 2021.



Hon. Rienne H. McElyea
District Judge

c: Marty Lambert / Erin Arnold
Peter Scott

} emailed
9/23/21

Memorandum

REPORT TO: City Commission

FROM: Chris Saunders, Community Development Manager
Martin Matsen, Community Development Director

SUBJECT: Approval of the Final Plat of The Parklands at the Village Downtown Major Subdivision to Create 10 Residential Lots from 4.77 Acres and Authorize the Community Development Director to Sign An Improvements Agreement and the City Manager to Sign A Sewer Easement

MEETING DATE: November 23, 2021

AGENDA ITEM TYPE: Community Development - Quasi-Judicial

RECOMMENDATION: Approve the final plat and authorize appropriate staff to execute related documents.

STRATEGIC PLAN: 4.2 High Quality Urban Approach: Continue to support high-quality planning, ranging from building design to neighborhood layouts, while pursuing urban approaches to issues such as multimodal transportation, infill, density, connected trails and parks, and walkable neighborhoods.

BACKGROUND: The City Commission approved the preliminary plat for the subdivision on August 19, 2019 and findings of fact for the subdivision were signed on September 16, 2019. All required conditions of approval have been satisfied and the final plat is submitted for approval. An improvements agreement and financial security in the amount of \$92,065 has been submitted for uncompleted landscaping in the park to be created by this project.

The project is located at the east end of the Village Downtown Boulevard on the south side of the street. The plat creates 9 lots for single homes and one larger lot for future development either as a multi-household building or further subdivision. A linear park is created with this plat connecting and continuing the trail network in the area.

UNRESOLVED ISSUES: None

ALTERNATIVES: As identified by the Commission.

FISCAL EFFECTS: none.

Attachments:

[170090 Final Plat_2021.10.04.pdf](#)

[Signed utility easement 10-28-2021.pdf](#)

Report compiled on: November 5, 2021

SURVEY REQUESTED BY OWNERS TO CREATE 9 SINGLE-HOUSEHOLD LOTS, 1 MULTI-HOUSEHOLD LOT, 1 COMMON OPEN SPACE AND 1 PARK, WITHIN A PLATTED SUBDIVISION.

OWNERS:
VILLAGE INVESTMENT GROUP, INC. — 50%
JOHN W. MURDOCH, TRUSTEE — 50%
OF JOHN W. MURDOCH REVOCABLE TRUST, DATED APRIL 13, 2011

DEED REF: DOC. NOS. 2590918, 2317662, AND 2723753

LEGEND

- (R) RECORD DISTANCE OR AZIMUTH
(M) MEASURED DISTANCE OR AZIMUTH
● FOUND 5/8 INCH REBAR WITH 1 1/4 INCH PLASTIC CAP MARKED (C&H ENGR #9518ES) OR AS NOTED
○ SET 5/8 INCH REBAR WITH 1 1/4 INCH PLASTIC CAP MARKED (C&H ENGR #9518ES)
— — — PROPERTY BOUNDARY LINE
— — — SURROUNDING PROPERTY LINE
— — — EASEMENT LINE

BLOCK	OPEN SPACE (SF)	LOTS (SF)	TOTAL (SF)
1	8,180	52,331	60,512
2		73,239	73,239
PARK 1			27,460
ROW			46,553
TOTAL (LOT 4A & COMMON AREA #2)			207,763

LOT 1, BLOCK 1 IS INTENDED TO BE A MULTI-HOUSEHOLD LOT.

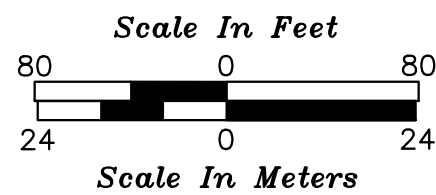
LOTS 1-9, BLOCK 2 ARE INTENDED TO BE SINGLE-HOUSEHOLD LOTS.

REQUIRED PARKLAND DEDICATION:
[(9 SINGLE-HOUSEHOLD LOTS) + (1 MULTI-HOUSEHOLD LOT X 11 UNITS)] X 0.03 ACRES/LOTS= 0.60 ACRES

PARK 1 — 27,640 sf, 0.6304 Ac.

Curve Table				
Curve #	Length	Radius	Delta	Ch. Az.
C1	121.89	65.00	107°26'36"	269°31'41"
C2	65.63	35.00	107°26'36"	269°31'41"
C3	44.20	135.00	18°45'32"	207°19'50"
C4	56.69	165.00	19°41'04"	207°47'36"

Line Table			
Line #	Length	Azimuth	Bearing
L1	184.56	017°57'04"	N17°57'04"E
L2	184.56	197°57'04"	S17°57'04"W
L3	18.44	131°47'28"	S48°12'32"E
L4	26.75	078°40'01"	N78°40'01"E



BASIS FOR AZIMUTHS FROM NORTH: THE MOST NORTHERLY TANGENT OF THE NE'LY LINE OF LOT 4A, MINOR SUBDIVISION 344C, BEING 131°47'28" AS SHOWN ON SAID MINOR SUBD. 344C.

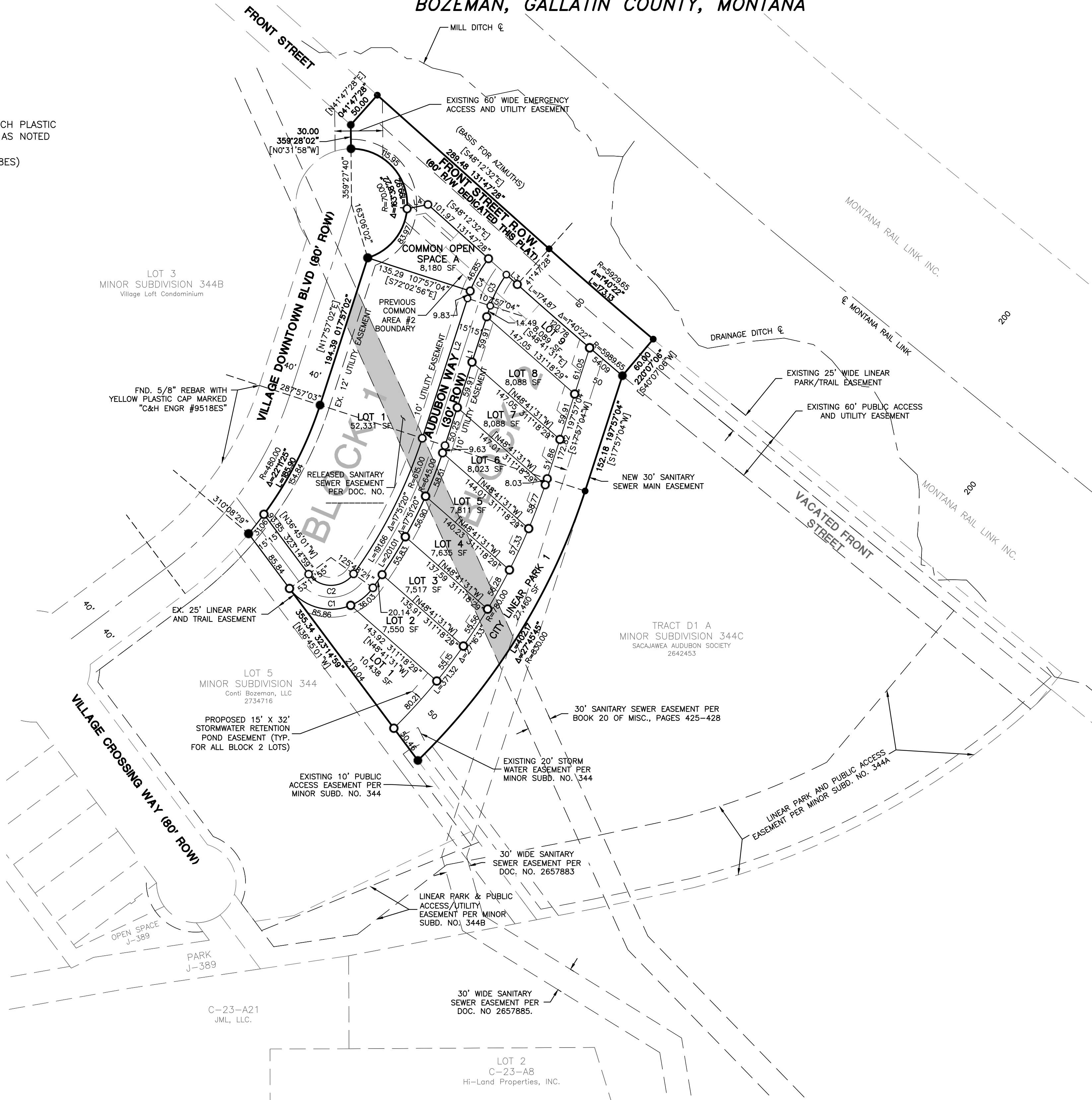
[N45°00'00"E] BEARING COMPUTED FROM AZIMUTH SHOWN

ALL EXTERIOR BOUNDARY DIMENSIONS ARE BOTH RECORD AND MEASURED



Sheet 1 of 2

FINAL PLAT OF THE PARKLANDS AT VILLAGE DOWNTOWN SUBDIVISION AND AMENDED PLAT OF LOT 4A, MINOR SUBDIVISION 344C LOCATED IN THE NW 1/4, SECTION 8, T. 2 S., R. 6 E. OF P.M.M., CITY OF BOZEMAN, GALLATIN COUNTY, MONTANA



VICINITY MAP (1"=500')

CERTIFICATE OF DEDICATION

We, the undersigned property owners, do hereby certify that we have caused to be surveyed, subdivided and platted into lots, blocks, open space parcels, parks, streets and alleys, and other divisions and dedications, as shown by the plat hereunto included, the following described tract of land, to wit:

LEGAL DESCRIPTION

Lot 4A, Minor Subdivision 344C, and Common Area #2, Minor Subdivision No. 344, according to the plats thereof, on file and of record in the office of the Clerk and Recorder, Gallatin County, Montana, and located in the Northwest Quarter of Section 8, Township 2 South, Range 6 East of P.M.M., City of Bozeman, Gallatin County, Montana.

Area = 207,763 square feet, 4.7696 acres or 19,301.8 square meters. Subject to existing easements.

The above described tract of land is to be known and designated as THE PARKLANDS AT VILLAGE DOWNTOWN SUBDIVISION, City of Bozeman, Gallatin County, Montana; and the lands included in all streets, avenues, alleys and parks or public lands shown on said plat are hereby granted and donated to the City of Bozeman for the public use and enjoyment. Unless specifically listed herein, the lands included in all streets, avenues, alleys, and parks or public lands dedicated to the public are accepted for public use, but the city accepts no responsibility for maintaining the same. The owner agrees that the City has no obligation to maintain the lands included in all streets, avenues, alleys, and parks or public lands hereby dedicated to public use. The lands included in all streets, avenues, alleys, and parks or public lands dedicated to the public for which the City accepts responsibility for maintenance include: None.

The undersigned hereby grants unto each and every person, firm or corporation, whether public or private, providing or offering to provide telephone, electric power, gas, internet, cable television or other similar utility or service, the right to the joint use of an easement for the construction, maintenance, repair and removal of their lines and other facilities, in, over, under and across each area designated on this plat as 'Utility Easement' to have and to hold forever.

GRANT OF PUBLIC ACCESS EASEMENT

The undersigned hereby grants to the public for public use forever a public access easement over and across all of Common Open Space A.

John W. Murdoch Revocable Trust, dated Apr. 13, 2011

The Village Investment Group, Inc., a Montana Corporation

John W. Murdoch, Trustee

By: Michael W. Delaney, President

STATE OF MONTANA
COUNTY OF GALLATIN

This instrument was signed or acknowledged before me on this ____ day of _____, 2021, by Michael W. Delaney as president of The Village Investment Group, Inc., a Montana Corporation.

Notary Public for the State of _____ MONTANA
Residing at: _____
Printed Name: _____
My commission expires: _____

STATE OF _____
COUNTY OF _____

This instrument was signed or acknowledged before me on this ____ day of _____, 2021, by John W. Murdoch as Trustee of the John W. Murdoch Revocable Trust, dated April 13, 2011.

Notary Public for the State of _____
Residing at: _____
Printed Name: _____
My commission expires: _____

CERTIFICATE OF COMPLETION OF IMPROVEMENTS

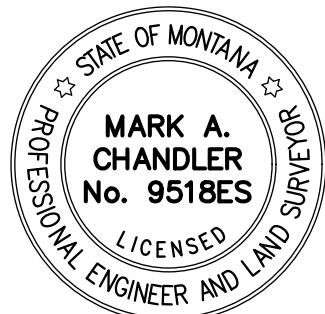
I, Michael W. Delaney, president of The Village Investment Group, Inc., and I, John W. Murdoch, trustee of John W. Murdoch Revocable Trust, dated April 13, 2011, and I, Mark A. Chandler, a professional engineer licensed to practice in the State of Montana, hereby certify that the following improvements, required to meet the requirements of this title or as a condition of approval of the THE PARKLANDS AT VILLAGE DOWNTOWN SUBDIVISION, have been installed in conformance with the approved plans and specifications, or financially guaranteed and covered by the improvements agreement accompanying this plat. Installed Improvements: Water, Sanitary Sewer, Storm Sewer, and Road Improvements along AUDUBON WAY and FRONT STREET, Sanitary Sewer and Access Road Improvements, Road Improvements in Village Downtown Boulevard, Stormwater Detention Pond in Common Open Space A. Financially Guaranteed Improvements: Landscaping in Parks, and common open spaces, Vegetative ground cover, boulevard trees and irrigation systems in open space and public right of way, Park signs, and bollards in the Sanitary Sewer Access Road. The subdivider hereby warrants against defects in these improvements for a period of two years from the date of acceptance by the City of Bozeman. The subdivider grants possession of all public infrastructure improvements to the City of Bozeman, and the City hereby accepts possession of all public infrastructure improvements, subject to the above indicated warranty.

Date: _____
VILLAGE INVESTMENT GROUP, INC. (50%)
By: Michael W. Delaney, President

Date: _____
JOHN W. MURDOCH REVOCABLE TRUST, DATED APR. 13, 2011 (50%)
By: John W. Murdoch, Trustee

Date: _____
Director of Public Works,
City of Bozeman, Montana

Date: _____
Mark A. Chandler
Montana License No. 9518ES

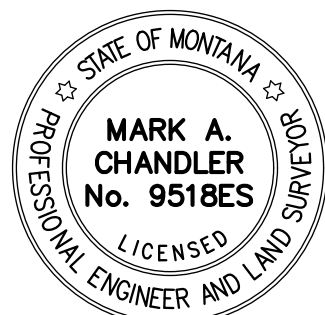


CERTIFICATE OF SURVEYOR

I, Mark A. Chandler, Professional Engineer and Land Surveyor No. 9518ES, do hereby certify that between April 17, 2019 and October 2021, this Plat was surveyed under my direct supervision, and I have platted the same as shown on the accompanying plat, and as described, in accordance with the provisions of the Montana Subdivision and Platting Act, Sections 76-3-101 through 76-3-625, M.C.A., and the Bozeman Municipal Code.

Dated this ____ day of _____, 2021.

Mark A. Chandler
Montana License No. 9518ES



CERTIFICATE OF DIRECTOR OF PUBLIC WORKS

I, Director of Public Works, City of Bozeman, Montana, do hereby certify that the accompanying Plat has been duly examined and has found the same to conform to the law, approves it, and hereby accepts the dedication to the City of Bozeman for the public use of any and all lands shown on the plat as being dedicated to such use.

Dated this ____ day of _____, 2021.

Director of Public Works, City of Bozeman, Montana

CERTIFICATE OF EXCLUSION FROM MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY REVIEW

The Parklands at Village Downtown Subdivision, located in Gallatin County, Montana, is within the City of Bozeman, Montana, a first-class municipality, and within the planning area of the Bozeman growth policy which was adopted pursuant to Section 76-1-601 et seq., M.C.A., and pursuant to 76-4-127 MCA will be provided with adequate storm water drainage and adequate municipal facilities. Therefore, under the provisions of Section 76-4-125(1)(d) M.C.A., this subdivision is excluded from the requirement for Montana Department of Environmental Quality review.

Dated this ____ day of _____, 2021.

Director of Public Works City of Bozeman, Montana

CERTIFICATE OF COUNTY TREASURER

I, Jennifer Blossom, Treasurer of Gallatin County, Montana, do hereby certify that the accompanying plat has been duly examined and that all real property taxes and special assessments assessed and levied on the land to be subdivided have been paid.

Dated this ____ day of _____, 2021.

By: _____
Deputy Treasurer of Gallatin County

CERTIFICATE OF CLERK AND RECORDER

I, Eric Semerad, Clerk and Recorder of Gallatin County, Montana, do hereby certify that the foregoing instrument was filed in my office at ____ o'clock ____ M. this ____ day of _____, A.D., 2021, and recorded in Book ____ of Plats, on Page _____, records of the Clerk and Recorder, Gallatin County, Montana.

By: _____
Deputy Clerk and Recorder

#170090

CONDITIONS OF APPROVAL FOR
THE PARKLANDS AT VILLAGE DOWNTOWN SUBDIVISION
AND AMENDED PLAT OF LOT 4A, MINOR SUBDIVISION 344C
LOCATED IN THE NW 1/4, SECTION 8, T. 2 S., R. 6 E. OF P.M.M., CITY OF
BOZEMAN, GALLATIN COUNTY, MONTANA

CONDITIONS OF APPROVAL FOR THE PARKLANDS AT VILLAGE
DOWNTOWN SUBDIVISION,
LOCATED IN THE NW 1/4 OF SEC. 8, T 2 S., R 6 E. OF P.M.M.
CITY OF BOZEMAN, GALLATIN COUNTY, MONTANA

Pursuant to ARM 24.183.1107 (4):

- (a) Any text and/or graphic representations of requirements by the governing body for final plat approval including, but not limited to, setbacks from streams or riparian areas, floodplain boundaries, no-build areas, building envelopes, or the use of particular parcels, are shown on the Conditions of Approval sheet;
- (b) The Landowner hereby certifies that the text and/or graphic shown on the Conditions of Approval sheet represents requirements by the governing body for final plat approval and that all conditions of subdivision application have been satisfied; and
- (c) The information shown is current as of the date of the certification required in (4)(b), and that changes to any land-use restrictions or encumbrances may be made by amendments to covenants, zoning regulations, easements, or other documents as allowed by law or by local regulations.

Pursuant to A.R.M. 24.183.1107 UNIFORM STANDARDS FOR FINAL SUBDIVISION PLATS: Section (2)(e)(xxii)(A): "Federal, state and local plans, policies, regulations, and/or conditions of subdivision approval that may limit the use of the property, including the location, size, and use are shown on the Conditions of Approval sheet or as stated. (B): Buyers of the property should ensure that they have obtained and reviewed all sheets of the plat and all documents recorded and filed in conjunction with the plat and that buyers of the property are strongly encouraged to contact local planning department and become informed of any limitations on the use of the property prior to closing."

CERTIFICATE OF TRANSFER OF OWNERSHIP &
COMPLETION OF NON PUBLIC IMPROVEMENTS

The following are hereby granted and donated to the property owners association noted below for their use and enjoyment: Common Open Space A. Unless specifically listed in the Certificate of Dedication, the city accepts no responsibility for maintaining the same. We, the undersigned, hereby further certify that the following non-public improvements, required to meet the requirements of Chapter 38 of the Bozeman Municipal Code, or as a condition(s) of approval of the subdivision platted herewith, have been installed in conformance with any approved plans and specifications prepared in accordance with the standards of Chapter 38 or other City design standards, or have been financially guaranteed and are covered by the subdivision improvements agreement accompanying and recorded with this plat.

Installed Improvements: None

Financially Guaranteed Improvements: Open Space and Park Landscaping and Irrigation

The subdivider hereby grants ownership of all non-public infrastructure improvements to the The Parklands at Village Downtown Subdivision Homeowner's Association.

GRANT OF PUBLIC ACCESS AND STORMWATER MAINTENANCE EASEMENT

The undersigned hereby grants to the property owners association a stormwater maintenance easement over, under, and across all of Common Open Space A. The undersigned hereby grants to the public for public use forever a public access easement over, under, and across all of Common Open Space A.

John W. Murdoch Revocable Trust, dated Apr. 13, 2011

The Village Investment Group, Inc., a Montana Corporation

John W. Murdoch, Trustee

By: Michael W. Delaney, President

STATE OF MONTANA
COUNTY OF GALLATIN

This instrument was signed or acknowledged before me on this ____ day of _____, 2021, by Michael W. Delaney as president of The Village Investment Group, Inc., a Montana Corporation.

Notary Public for the State of MONTANA
Residing at: _____
Printed Name: _____
My commission expires: _____

STATE OF _____
COUNTY OF _____

This instrument was signed or acknowledged before me on this ____ day of _____, 2021 by John W. Murdoch as Trustee of the John W. Murdoch Revocable Trust, dated April 13, 2011.

Notary Public for the State of _____
Residing at: _____
Printed Name: _____
My commission expires: _____

GENERAL NOTES

1. The common open space parcels within this plat are intended to be owned and maintained by the Homeowners Association. A public access easement is granted across all open spaces.
2. The portion of 60' wide Front Street right-of-way that abuts Block 1 and Block 2 and the 30' wide alley right-of-way between Block 1 and Block 2 are public rights-of-ways dedicated with this plat.
3. Utility easements are 10' wide or as indicated on the plat.
4. All common open spaces shown are public access easements.
5. The house orientation of corner lots shall be the same as interior lots.
6. The proposed development falls within a known area of high groundwater. No crawl spaces or basements may be constructed such that sump pumps are required to pump water from these spaces. Sump pumps are not allowed to be connected to the sanitary sewer system. Sump pumps are also not allowed to be connected to the drainage system unless capacity is designed into the drainage system to accept the pumped water. Water from sump pumps may not be discharged onto streets, such as into the curb and gutters where they may create a safety hazard for pedestrians and vehicles.
7. Ownership of all open space lots, areas and trails, and responsibility of maintenance thereof and for city assessments levied on the open space lands shall be that of the property owners' association. Maintenance responsibility must include, in addition to the open space and trails, all vegetative ground cover, boulevard trees and irrigation systems in the public right-of-way boulevard strips along all external perimeter development streets and areas adjacent to public parks, greenway corridors or other common open space areas. All areas within the subdivision that are designated herein as open space including sidewalks and trails are for the use and enjoyment by residents of the development and the general public. The property owners' association must be responsible for levying annual assessments to provide for the maintenance, repair and upkeep of all open space lots, areas and trails.
8. All plans and specifications for public infrastructure will be stored at the City engineering office located at 20 E. Olive Street, Bozeman, Montana 59715.
9. The maintenance of all stormwater facilities are the responsibility of the property owners association. (Common Open Space A)
10. The owner has chosen to defer payment of Cash In-Lieu of water rights for the multi-family lot (Lot 1, Block 1). Additional Cash In-Lieu of water rights and parkland dedication may be required at the time of Site Plan or Subdivision review and approval for future development of the Multi-Family lot (Lot 1, Block 1).

Return to: Bozeman City Clerk
P.O. Box 1231
Bozeman, MT 59771-1231

PUBLIC UTILITY AND ACCESS EASEMENT AND AGREEMENT

The Village Investment Group, Inc. and John W. Murdoch Revocable Trust, dated April 13, 2011, the GRANTOR(S), in consideration of \$1.00 and other good and valuable consideration, receipt of which is acknowledged, grant(s) to the City of Bozeman, a Municipal Corporation of the State of Montana, with offices at 121 North Rouse Avenue, P.O. Box 1230, Bozeman, Montana 59771-1230, GRANTEE, its successors and assigns, a perpetual easement to lay, construct and maintain sanitary sewer pipelines and manholes with the usual services, valves, connections, accessories and appurtenances for the purpose of transmitting wastewater in, through and across a strip of land situated in Gallatin County, Montana, 30 feet wide to be located on the following described real property:

City Linear Park 1, The Parklands at Village Downtown Subdivision, according to the plat thereof, on file and of record in the office of the clerk and Recorder, Gallatin County, Montana, located in the Northwest Quarter of Section 8, T. 2 S., R. 6 E. of P.M.M., City of Bozeman, Gallatin County, Montana.

The easement is more particularly shown and dimensioned on the attached **Exhibit A** which by this reference are made a part hereof.

This grant includes the right of the GRANTEE, its successors, permittees, licensees, and assigns and its and their agents and employees, to enter at all times upon the above-described land by using existing roads or trails or otherwise by a route causing the least damage and inconvenience to the GRANTOR(S) in order to survey and establish the route and location of the easement and the pipeline and to:

- (1) Construct, operate, patrol, repair, substitute, remove, enlarge, replace, and maintain the pipeline, services, connections, accessories and appurtenances;
- (2) Trim, remove, destroy, or otherwise control any trees and brush inside or outside the boundaries of the easement which may, in the opinion of the GRANTEE, interfere or threaten to interfere with or be hazardous to the construction, operation and maintenance of the pipeline;
- (3) Grade the land subject to this easement and extend the cuts and fills of this grading into and on the land adjacent to that which is subject to this easement to the extent GRANTEE may find reasonably necessary; and

- (4) Support the pipeline across ravines and water courses with structures which GRANTEE deems necessary.

THE GRANTEE AGREES:

- (1) That, in connection with the construction, operating, patrolling, repairing, substituting, removing, enlarging, replacing, and maintaining of said sewer and water pipeline(s), it will repair or replace, at its sole expense, or pay to GRANTOR(S) the reasonable value of any damages to growing crops, existing fences, ditches and other appurtenances of said land that may be disturbed by its operation.
- (2) That, during operations involving excavation, it will remove the topsoil from the trenched area to a depth of one foot, or to the full depth of the topsoil, whichever is less, and stockpile said top soil for replacement over the trench. It will remove from the site any large rocks or surplus excavating material or any debris that may have been exposed by the excavation and remains after backfilling is completed. And, it will leave the finished surface in substantially the same condition as existed prior to the beginning of operations except that the surface of backfilled areas may be mounded sufficiently to prevent the formation of depressions after final settlement has taken place.

THE GRANTOR(S) AGREES:

- (1) At no time will they build, construct, erect or maintain any permanent structure within the boundaries of said easement without the prior written consent of GRANTEE.
- (2) At no time will they modify the finished grade of the land over the pipeline by removal of existing soil or by placement of fill material within the boundaries of said easement without the prior written consent of the GRANTEE.
- (3) That where the subject improvements are not located under improved public or private streets or other provided access, a 12 foot wide all-weather access road may be constructed within the easement where at the City's discretion such access is required for operation and maintenance purposes.
- (4) The GRANTOR(S) warrants that they are lawfully seized and possessed of the real property described above, that they have a lawful right to convey the property, or any part of it, and that they will forever defend the title to this property against the claims of all persons.
- (5) The GRANTEE may peaceably hold and enjoy the rights and privileges herein granted without any interruption by the GRANTOR(S). The terms, covenants and provisions of this easement and agreement shall extend to and be binding upon the heirs, executors,

administrators, personal representatives, successors and assigns of the parties hereto.

DATED this 25th day of October, 2021.

VILLAGE INVESTMENT GROUP, INC., a Montana corporation

[Signature]

By: MICHAEL W. DELANEY, its PRESIDENT

DATED this 25th day of October, 2021.

John W. Murdoch Revocable Trust, dated April 13, 2011

By: _____, its _____

STATE OF MONTANA)
):ss
County of Gallatin)

This instrument was signed or acknowledged before me this 25th day of October, 2021, by Michael Delaney as President of VILLAGE INVESTMENT GROUP, INC., a Montana corporation.



Sheila Larsen
Notary Public for the State of Montana
Printed Name: _____
Residing at _____
My Commission Expires / / 20

STATE OF _____)
) ss.
County of _____)

This instrument was signed or acknowledged before me on this _____ day of _____, 2021, by John W. Murdoch as trustee of the John W. Murdoch Revocable Trust, dated April 13, 2011.

Notary Public for the State of _____ (SEAL)
Printed Name: _____
Residing at: _____
My Commission Expires _____ / _____, 20 ____.

administrators, personal representatives, successors and assigns of the parties hereto.

DATED this _____ day of _____, 2021.

VILLAGE INVESTMENT GROUP, INC., a Montana corporation

By: _____, its _____

DATED this 24th day of October, 2021.

John W. Murdoch Revocable Trust, dated April 13, 2011

By: John W. Murdoch, its Trustee

STATE OF MONTANA)
):ss
County of Gallatin)

This instrument was signed or acknowledged before me this _____ day of _____, 20____, by _____ as _____ of VILLAGE INVESTMENT GROUP, INC., a Montana corporation.

(SEAL)

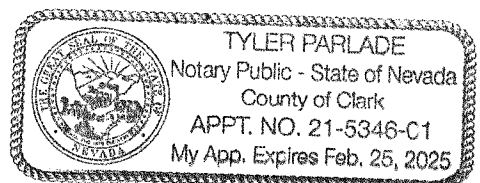
Notary Public for the State of Montana
Printed Name: _____
Residing at _____
My Commission Expires ____/____/20____

STATE OF Nevada)
) ss.
County of Clark)

This instrument was signed or acknowledged before me on this 24th day of October, 2021, by John W. Murdoch as trustee of the John W. Murdoch Revocable Trust, dated April 13, 2011.

Notary Public for the State of Nevada
Printed Name: Tyler Parlade
Residing at: Las Vegas, Nevada
My Commission Expires 2 / LS, 20 LS.

(SEAL)



DATED this _____ day of _____, 202__.

ACCEPTED - CITY OF BOZEMAN

By: Jeff Mihelich, its City Manager

ATTEST:

Mike Maas, its City Clerk

STATE OF MONTANA)
):ss
County of Gallatin)

On this _____ day of _____, 202__, before me, a Notary Public for the State of Montana, personally appeared JEFF MIHELICH and MIKE MAAS, known to me to be the City Manager and City Clerk, respectively, of the City of Bozeman, and the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same for and on behalf of the City of Bozeman.

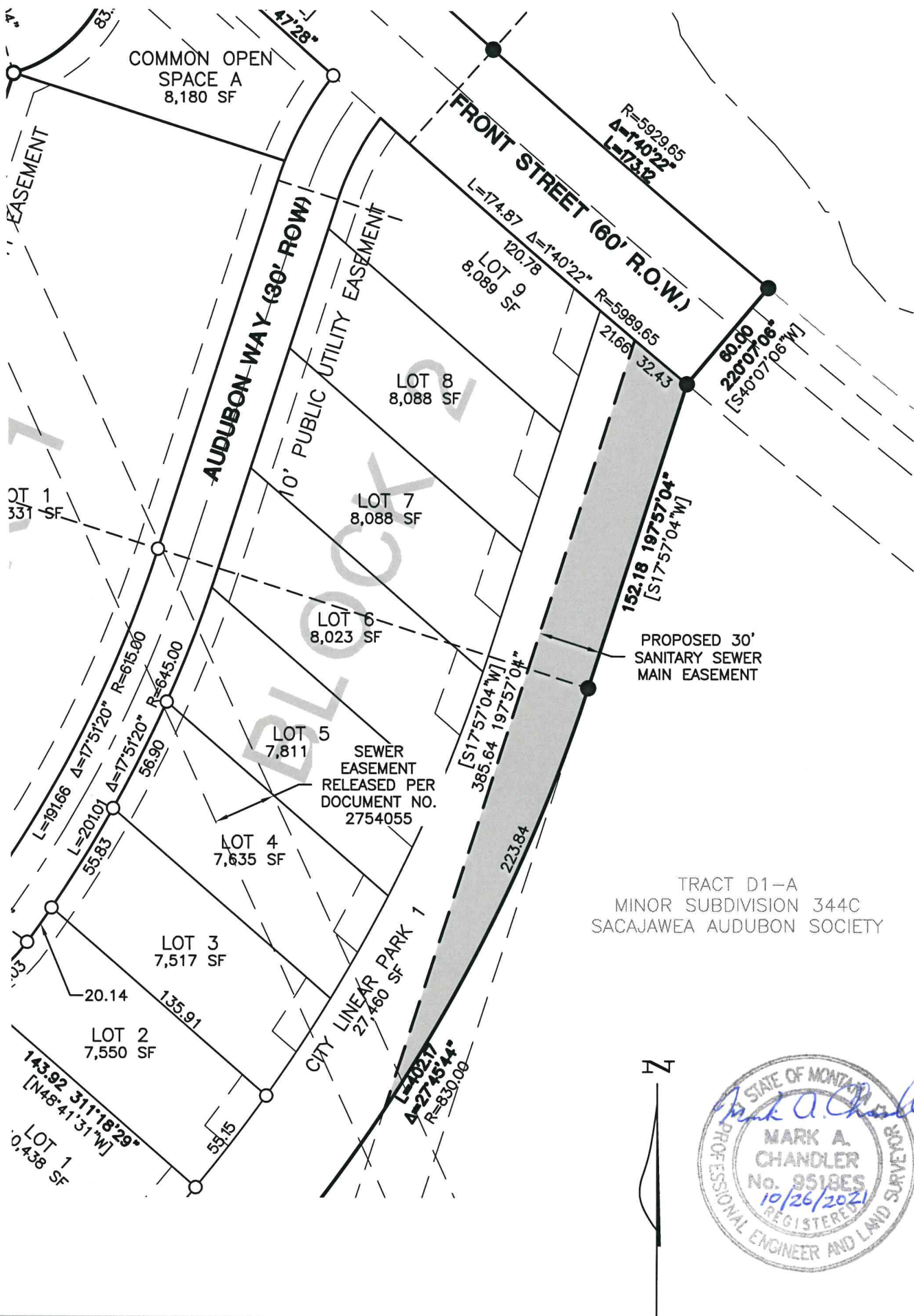
In witness whereof, I have hereunto set my hand and affixed my seal on the day and year first written above.

(SEAL)

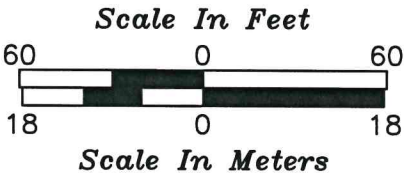
Notary public for the state of Montana
Printed Name: _____
Residing at: _____
My Commission Expires: _____

G:\C&H\17\170090\Plat - Final\RTC, Easements, And Deeds\Working\Public Utility Easement [SS].Docx

EXHIBIT A **PARKLANDS AT VILLAGE DOWNTOWN SUBDIVISION** **PUBLIC UTILITY EASEMENT (SANITARY SEWER)**



Engineering and Surveying Inc.
 1091 Stoneridge Drive • Bozeman, MT 59718
 Phone (406) 587-1115 • Fax (406) 587-9768
 www.chengineers.com • info@chengineers.com



Memorandum

REPORT TO: City Commission

FROM: Susana Montana, Senior Planner
Brian Krueger, Development Review Manager
Martin Matsen, Director of Community Development Department

SUBJECT: Approval of the Final Plat for the Allison Phase 4A Major Subdivision, South 11th Avenue and Arnold Street, Project No. 21022 (Quasi-Judicial)

MEETING DATE: November 23, 2021

AGENDA ITEM TYPE: Community Development - Quasi-Judicial

RECOMMENDATION: Authorize the Mayor to sign a Final Plat for the Allison Phase 4A Subdivision (Quasi-Judicial)

STRATEGIC PLAN: 4.2 High Quality Urban Approach: Continue to support high-quality planning, ranging from building design to neighborhood layouts, while pursuing urban approaches to issues such as multimodal transportation, infill, density, connected trails and parks, and walkable neighborhoods.

BACKGROUND: The Bon Ton Inc. (Applicant), made application to the City of Bozeman Department of Community Development for Final Plat review and approval for the Allison Phase 4A Subdivision Final Plat for the subdivision of 48.04 acres into 47 lots and streets and rights-of-way. Attached is a copy of the Allison Phase 4A Preliminary Plat Findings of Fact and Order document. Since the City Commission approved the Allison Phase 4 Preliminary Plat in February 2020, the Applicant submitted, and the City Commission approved on July 13, 2021, a Final Plat for the 48-acre property which created two lots: A buildable 0.167-acre Lot 1, Block 8 and the remaining 48-acre Lot R-1 which remains an unbuildable restricted lot until further subdivision review and approval.

This Allison Phase 4A Final Plat addresses that restricted Lot R-1 of Allison Phase 4B by creating the new 47-lot subdivision, of which 3 lots would remain unbuildable until further subdivision review and approval. The 3 unbuildable lots are: The 7.27-acre Lot 2, Block 2; the 15.89-acre Lot 2, Block 7; and the 2.72-acre Lot 1, Block 9 of this Allison Phase 4A Subdivision. The remaining 44 lots would be developed as 40 single-household residential lots and 4 multi-household residential lots.

The purpose of the subdivision of the 48.04-acre Phase 4 land into 47 lots is to facilitate the sale and development of:

- 40 single-household lots zoned R-1, Low-density Residential District;
- 2 multi-household lots zoned R-2, Moderate-density Residential;
- 2 multi-household lots zoned R-3, Medium-density Residential

Districts; and

- To develop the infrastructure (utilities, roads, stormwater management) to service those lots.

The remaining 3 undevelopable lots, totaling 25.896-acres and zoned R-1 and R-2, would be the subject of a separate Final Plat subdivision.

UNRESOLVED ISSUES: An Improvements Agreement and a Hold Harmless Agreement from the Applicant is required for improvements to the drainage pond on Lot 2, Block 2 prior to signature on the plat by the City.

ALTERNATIVES: None suggested

FISCAL EFFECTS: None

Attachments:

[21022 Allison Phase 4A Final Plat Commission Memo.docx](#)

[21022 Allison Phase 4A Final Plat Memo to City Atty.docx](#)

[09282021 148-105 sheet 1.pdf](#)

[09282021 148-105 sheet 2.pdf](#)

[09282021 148-105 sheet 3.pdf](#)

[09282021 148-105 sheet 4.pdf](#)

[09282021 148-105 sheet 5.pdf](#)

[09282021 148-105 sheet 6.pdf](#)

[09282021 148-105 sheet 7.pdf](#)

Report compiled on: November 17, 2021



Commission Memorandum

REPORT TO: Mayor and City Commission

FROM: Tim Cooper, Assistant City Attorney
Susana Montana, Senior Planner through Brian Krueger, Development Review Manager

SUBJECT: Approve the Final Plat for the Allison Phase 4A Major Subdivision and authorize the Director of Public Works to execute the same on behalf of the City of Bozeman; the Director of Community Development to execute the improvements agreements on behalf of the City of Bozeman. Application No. 21022.

STRATEGIC PLAN: 4.2 High Quality Urban Approach. Continue to support high quality planning, ranging from building design to neighborhood layouts, while pursuing urban approaches to issues such as multimodal transportation, infill, density, connected trails and parks, and walkable neighborhoods.

MEETING DATE: November 23, 2021

AGENDA ITEM TYPE: Consent

RECOMMENDATION: Approve the Final Plat for the Allison Phase 4A Major Subdivision and authorize the Director of Public Works to execute the same on behalf of the City of Bozeman and authorize the Director of Community Development to execute the improvements agreements on behalf of the City of Bozeman.

BACKGROUND: In February 2020, the Bozeman City Commission conducted their review of the Preliminary Plat application for the Allison Phase 4A Major Subdivision and voted unanimously to approve the preliminary plat application.

§76-3-611(1), MCA, provides that the City Commission shall approve the plat only if:

- (a) it conforms to the conditions of approval set forth on the preliminary plat and to the terms of this chapter and regulations adopted pursuant to this chapter; and
- (b) the county treasurer has certified that all real property taxes and special assessments assessed and levied on the land to be subdivided have been paid.

The County Treasurer has certified that all real property taxes and special assessments assessed and levied on the land to subdivide have been paid. Attached is a memorandum from Susana Montana, Senior Planner, stating the staff has concluded that all terms and conditions of the preliminary plat approval have been met.

Improvements Agreements are required for final plat approval of this subdivision. The improvements agreements guarantee the installation of public and private sidewalks, grading of a temporary stormwater pond on a restricted development Lot 2, Block 2 to expand its capacity, and landscaping of public areas within 3 years of final plat approval. Financial guarantees in the amounts of \$125,343 for sidewalks and \$129,131.10 for landscaping were received in the form of cash on October 4, 2021. A financial guarantee for the grading of Lot 2, Block 2 for expansion of the stormwater pond is pending along with a Hold Harmless document relieving the City of any liability related to flooding until the improvements are completed and accepted by the City.

The Preliminary Plat Findings of Fact can be viewed at this link:

T:\SUBDIVISION\Major\19002 Allison Major Subdivision Ph. 4 & 5 PP\City Commission\FOF

UNRESOLVED ISSUES: An Improvements Agreement for the stormwater pond capacity expansion and a Hold Harmless Agreement must be executed prior to City signature on the Mylars.

ALTERNATIVES: None suggested or proposed.

FISCAL EFFECTS: Fiscal impacts are undetermined at this time, but will include increased property tax revenues from new development, along with increased costs to deliver municipal services to the property.

Report compiled on: November 17, 2021

Attachments: Staff Memo
Final Plat

MEMORANDUM

TO: TIM COOPER, ASSISTANT CITY ATTORNEY
MIKE MAAS, CITY CLERK

FROM: SUSANA MONTANA, SENIOR PLANNER, DEVELOPMENT REVIEW
DIVISION

RE: FINAL PLAT REVIEW FOR THE ALLISON PHASE 4A SUBDIVISION FINAL
PLAT, PROJECT NO. 21022

DATE: November 17, 2021

The Bon Ton Inc. (Applicant), made application to the City of Bozeman Department of Community Development for Final Plat review and approval for the Allison Phase 4A Subdivision Final Plat for the subdivision of 48.04 acres into 47 lots and streets and rights-of-way. Attached is a copy of the Allison Phase 4A Preliminary Plat Findings of Fact and Order document.

Since the City Commission approved the Allison Phase 4 Preliminary Plat in February 2020, the Applicant submitted, and the City Commission approved on July 13, 2021, a Final Plat for the 48-acre property which created two lots: A buildable 0.167-acre Lot 1, Block 8 and the remaining 48-acre Lot R-1 which remains an unbuildable restricted lot until further subdivision review and approval.

This Allison Phase 4A Final Plat addresses that restricted Lot R-1 of Allison Phase 4B by creating the new 47-lot subdivision, of which 3 lots would remain unbuildable until further subdivision review and approval. The 3 unbuildable lots are: The 7.27-acre Lot 2, Block 2; the 15.89-acre Lot 2, Block 7; and the 2.72-acre Lot 1, Block 9 of this Allison Phase 4A Subdivision. The remaining 44 lots would be developed as 40 single-household residential lots and 4 multi-household residential lots.

The purpose of the subdivision of the 48.04-acre Phase 4 land into 47 lots is to facilitate the sale and development of:

- (1) 40 single-household lots zoned R-1, Low-density Residential District;
- (2) 2 multi-household lots zoned R-2, Moderate-density Residential;
- (3) 2 multi-household lots zoned R-3, Medium-density Residential Districts; and
- (4) To develop the infrastructure (utilities, roads, stormwater management) to service those lots.

The remaining 3 undevelopable lots, totaling 25.896-acres and zoned R-1 and R-2, would be the subject of a separate Final Plat subdivision.

Three improvements agreements are required for this subdivision for the following improvements: The installation of landscaping, public and private sidewalks and expansion of the drainage pond on Lot 2, Block 2.

Based on the summary review provided below, the City Engineering Department and Department of Community Development have reviewed the application against the conditions of preliminary plat approval (Project No. 19002); and as a result, find that the Final Plat application may be approved by the City Commission subject to the following remaining conditions and code provisions.

Preliminary Plat Unmet Conditions of Approval of this Final Plat:

1. The Applicant is advised that unmet code provisions, or code provisions that are not specifically listed as conditions of approval, does not, in any way, create a waiver or other relaxation of the lawful requirements of the Bozeman Municipal Code or state law. The Block 2, Lot 2 drainage pond must be expanded and improved prior to issuance of any building permit for this development.
2. The Final Plat must conform to all requirements of the Bozeman Municipal Code (BMC) and the Uniform Standards for Monumentation, Certificates of Survey, and Final Subdivision Plats (24.183.1101 Administrative Rules of the State of Montana--ARM, 24.183.1104 ARM, 24.183.1107 ARM) and must be accompanied by all required documents, including all required and corrected certificates.
3. The following are procedural requirements not yet demonstrated by the Final Plat and must be satisfied at the Final Plat. All references are to the Bozeman Municipal Code (BMC).
 - A. BMC 38.220.050.A.3. Groundwater supplement. The seasonal high groundwater elevations must be verified prior to Final Plat approval. The provided groundwater data was collected outside of the seasonal high. The staff-recommended Condition of Approval No. 1 on Sheet 6 relates to this issue.

Attachments to this Memo for your review include: (1) Three (3) original mylars of the Final Plat; (2) Title Certificate; (3) property owners association documents; (4) improvements agreements; (4) Release and Reconveyance of Easements document; (5) SID waiver of right to protest; (6) Parks maintenance waiver of right to protest; (7) County Treasurer letter; (8) a copy of the Allison Phase 4 Preliminary Plat Findings of Fact and Order document (Project No. 19002); (9) Building Permit Restriction Notice; and (9) the Final Plat staff report with the staff-recommended conditions of approval and code provisions for this specific Allison 4A Final Plat.

The Community Development staff respectfully requests that you prepare City Attorney's Certificates using the attached Platting Certificate as updated; approve the Certificates of Director of Public Works and Certificate of Completion "as to form". The final City signatures will be obtained once the City Commission has approved the final plats.

Due to adoption of HB 259 Montana legislation related to inclusionary affordable housing zoning, the City will not enforce the Preliminary Plat requirement for the creation of nine affordable housing townhouse lots as reflected in the Preliminary Plat Findings of Fact. The affordable housing plan and plat notes related to affordable housing lots have been removed from the Final Plat and the nine townhouse lots have been reconfigured by the Applicant to meet the R-1 zone single-household lot widths and size standards.

An application was submitted to the Community Development Department on August 25, 2021, it was deemed acceptable for initial review on September 2, 2021 and, after several revisions, was deemed adequate on November 17, 2021. The final plat review must complete review within a 20-day (working days) review period. The review period begins once the application is complete and adequate for review.

The conditions of preliminary plat approval, which are pertinent to this major subdivision and how they have been met, are described in the submittal materials.

Note: The Community Development Department and Engineering Department have also reviewed the final plat application against the preliminary plat cited code provisions and found compliance with these code requirements. The Engineering Department has also reviewed and approved the "closure" of the final plat.

The project is scheduled for consideration by the City Commission on November 23, 2021. Materials for the agenda will be uploaded November 17, 2021. Please let me know if this will not work for your schedule.

Attachments:

- Three (3) Mylar Final Plats
- Preliminary Subdivision Certificate of Title
- Improvements Agreements
- SID and Park District waivers
- Notice of Building Permit Restrictions
- County Treasurer letter
- Release and Reconveyance of Easements
- Recorded CC&Rs and not-recorded Supplement CC&Rs and Allison Subdivision Owners Association Certification Letter
- 19002 Allison Phase 4 Subdivision Preliminary Plat Findings of Fact
- Final Plat staff report to City Attorney

ALLISON SUBDIVISION PHASE 4A

A SUBDIVISION OF LOT R-1 OF ALLISON SUBDIVISION PHASE 4B, (Plat Reference J-692), LOCATED IN THE NORTHEAST ONE-QUARTER AND THE SOUTHEAST ONE-QUARTER OF SECTION 24, TOWNSHIP 2 SOUTH, RANGE 5 EAST, P.M.M., CITY OF BOZEMAN, GALLATIN COUNTY, MONTANA

CERTIFICATE OF DEDICATION:

I, the undersigned property owner, do hereby certify that I have caused to be surveyed, subdivided and platted into lots, blocks, streets, and alleys, and other divisions and dedications, as shown by the plat hereunto included the following described tract of land to wit:

DESCRIPTION:

A tract of land being Lot R-1, Allison Subdivision Phase 4B, (Plat Reference J-692), located in the Northeast one-quarter and the Southeast one-quarter of Section 24, Township 2 South, Range 5 East, Principal Meridian Montana (P.M.M.), City of Bozeman, Gallatin County, Montana.

Said tract containing in area 48.04 acres, along with and subject to any existing easements.

The above described tract of land is to be known and designated as Allison Subdivision Phase 4A, City of Bozeman, Gallatin County, Montana; and the lands included in all streets, avenues, alleys, roads, highways, and parks, playgrounds, or public lands or other public improvements shown on said plat are hereby granted and donated to the City of Bozeman for the public use and enjoyment. Unless specifically listed herein, the lands included in all streets, avenues, alleys, roads, highways, and parks or public lands or other public improvements dedicated to the public are accepted for public use, but the city accepts no responsibility for maintaining the same. The owner(s) agree(s) that the city has no obligation to maintain the lands included in all streets, avenues, alleys, roads, highways, and parks, or public lands or other public improvements, hereby dedicated to public use. The lands included in all streets, avenues, alleys, roads, highways, and parks, or public lands or other public improvements dedicated to the public for which the city accepts responsibility for maintenance include; South 11th Avenue, Opportunity Way, Bon Ton Avenue, Arnold Street, South 7th Avenue, Student Drive, Vollmer Street and West Graf Street.

GRANT OF UTILITY EASEMENTS:

The undersigned hereby grants unto each and every person firm or corporation, whether public or private, providing or offering to provide telephone, electric power, gas, internet, cable television or other similar utility or service, the right to the joint use of an easement for the construction, maintenance, repair and removal of their lines and other facilities in, over, under and across each area designated on this plat as "Utility Easement" to have and to hold forever.

Bon Ton, Inc. of Billings

By: Eugene Graf III, President

State of Montana)
s.s.
County of Gallatin)

On this _____ day of _____, 20____, before me, a Notary Public in and for said state, personally appeared Eugene Graf III, known to me to be the person who signed the foregoing instrument as President of Bon Ton, Inc. of Billings, and acknowledged to me that such Corporation executed the same. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first written above.

Signature

Chris Budeski

Notary Public for the State of Montana
Residing at Bozeman, MT
My commission expires _____

CERTIFICATE OF EXCLUSION FROM MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY REVIEW

The Allison Subdivision Phase 4A, Gallatin County, Montana, is within the City of Bozeman, Montana, a first-class municipality, and within the planning area of the Bozeman growth policy which was adopted pursuant to MCA 76-1-601 et seq., and can be provided with adequate stormwater drainage and adequate municipal facilities. Therefore, under the provisions of MCA 76-4-125(1)(d), this subdivision is excluded from the requirement for Montana Department of Environmental Quality review.

DATED this _____ day of _____, 20____.

Director of Public Works
City of Bozeman, Montana

CERTIFICATE OF DIRECTOR OF PUBLIC WORKS

I, Director of Public Works, City of Bozeman, Montana, do hereby certify that the accompanying plat has been duly examined and has found the same to conform to the law, approves it, and hereby accepts the dedication to the City of Bozeman for the public use of any and all lands shown on the plat as being dedicated to such use.

DATED this _____ day of _____, 20____.

Director of Public Works
City of Bozeman, Montana

CERTIFICATE ACCEPTING CASH DONATION IN-LIEU OF LAND DEDICATION

Finding dedication of parkland within the platted area of Allison Subdivision Phase 4A would be undesirable for park and playground purposes, it is hereby ordered by the city commission of the City of Bozeman, that land dedication for park purposes be waived and that cash-in-lieu, in the amount of \$49,441.31 dollars, be accepted in accordance with the provisions of the Montana, Subdivision and Platting Act (MCA 76-3-101 through 76-3-625) and the Bozeman Municipal Code.

City of Bozeman Director of Parks and Recreation _____/_____/20____

CERTIFICATE OF COMPLETION OF IMPROVEMENTS

I, Eugene Graf III, Subdivider, and I, Chris G. Budeski, a registered professional engineer licensed to practice in the state of Montana, hereby certify that the following improvements, required to meet the requirements of chapter 38 of the Bozeman Municipal Code or as a condition(s) of approval of Allison Subdivision Phase 4A, have been installed in conformance with the approved plans and specifications, or financially guaranteed and covered by the improvements agreement accompanying this plat.

Installed Improvements:

- Arnold Street between South 11th Avenue and the Eastern property boundary line, including street, water, sanitary sewer, storm drainage facilities, street lighting and sidewalks.
- Bon Ton Avenue between Opportunity Way and the terminus South of Arnold Street, including street, water, sanitary sewer, storm drainage facilities, street lighting and sidewalks at the street intersections.
- South 7th Avenue between Bon Ton Avenue and Student Drive, including street, water, sanitary sewer, storm drainage facilities, street lighting and sidewalks at the street intersections.
- Student Drive between South 11th Avenue and South 7th Avenue, including street, water, sanitary sewer, storm drainage facilities, street lighting and sidewalks at the street intersections.
- Vollmer Street between Student Drive and Bon Ton Avenue, including street, water, sanitary sewer, storm drainage facilities, street lighting and sidewalks at the street intersections.
- Improvements to Opportunity Way, including widening along the Southern side, storm drainage facilities, and sidewalks at the street intersections.
- Alleys within the subdivision, including alley way construction, water and sanitary sewer.
- Stormwater basins.
- All-weather access road along the North line of Block 2 and pedestrian trail along the East line of Block 2 and Block 7.

Financially Guaranteed Improvements:

- Sidewalk installation on private lots (Except for those lots that include frontage along Arnold Street).
- Boulevard landscaping on South side of Opportunity Way
- Landscaping along East side of South 11th Avenue.
- Landscaping along Arnold Street.
- Landscaping of the stormwater ponds.

The subdivider hereby warrants said improvements against any and all defects for a period of two years from the date of acceptance by the City of Bozeman.

The subdivider grants possession of all public infrastructure improvements to the City of Bozeman and the city hereby accepts ownership of all public infrastructure improvements, subject to the above indicated warranty.

Eugene Graf III
President, Bon Ton, Inc. of Billings

Chris G. Budeski, PE
Registration No. 10825 PE

Director of Public Works _____/_____/20____

CERTIFICATE OF COMPLETION OF WATER-RELATED IMPROVEMENTS

I, Eugene Graf III, President, Bon Ton, Inc. of Billings, hereby certify that the following improvements, necessary to meet the requirements of chapter 38 of the Bozeman Municipal Code or as a condition(s) of approval of Allison Subdivision Phase 4A, have been installed in conformance with the approved plans and specifications, or financially guaranteed and covered by the improvements agreement accompanying this plat.

Installed Improvements: None.

Financially Guaranteed Improvements: Irrigation well.

The subdivider hereby warrants said improvements against any and all defects for a period of two years from the date of acceptance by the City of Bozeman.

The subdivider hereby grants ownership of all public infrastructure improvements to the City of Bozeman and the city hereby accepts ownership of all public infrastructure improvements, subject to the above indicated warranty.

Eugene Graf III
President, Bon Ton, Inc. of Billings

Director of Public Works _____/_____/20____

NOTES:

- The purpose of this survey is to create a 47 - lot subdivision this survey was performed for owner of record: Bon Ton, Inc. of billings
- Federal, state and local plans, policies, regulations, and/or conditions of subdivision approval that may limit the use of the property, including the location, size, and use are shown on the Conditions of Approval sheet.
- Buyers of property should ensure that they have obtained and reviewed all sheets of the plat and all documents recorded and filed in conjunction with the plat and that buyers of property are strongly encouraged to contact the local planning department and become informed of any limitations on the use of the property prior to closing.
- Block 8 of the Allison Subdivision was platted in Phase 4B and is not included hereon.

SHEET INDEX:

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LEGEND OF LINE TYPES & SYMBOLS

●	PROPERTY CORNER - MATERIAL AS NOTED
○	PROPERTY CORNER - MERIDIAN O.P.C. [†]
○	PROPERTY CORNER - SET MERIDIAN O.P.C.
○	EASEMENT CORNER - NOTHING SET
O.P.C.	MERIDIAN ORANGE PLASTIC CAP
(R)	RECORD DIMENSION
(M)	MEASURED DIMENSION
_____	PERIMETER PROPERTY BOUNDARY LINE
_____	INTERIOR LOT LINE
_____	ADJOINING PROPERTY BOUNDARY LINE
_____	EASEMENT
_____	PHASE LINE (CURRENT AND FUTURE)

[†] Per 24.183.1101(d), A.R.M., interior lot corners have not been set prior to the filing of the final plat of the Allison Subdivision, Phase 4A, due to ongoing construction activities. These lot corners will be set within 240 days of the date on which the plat has been filed at the Clerk and Recorders Office. Each interior lot corner will be monumented with a Meridian Land Surveying, Inc. orange plastic cap (O.P.C.) affixed to the top of an 18 inch length of No. 5 rebar.

Changes in alignment of the road right-of-way that do not occupy lot corners will be monumented with a Meridian Land Surveying, Inc. red plastic cap (R.P.C.) to avoid confusion with those points marking lot corners.

CONSENT OF MORTGAGEE

We, the undersigned mortgagee(s) or encumbrancer(s), do hereby join in and consent to the described plat, (I) (We) release (my) (our) respective liens, claims or encumbrances as to any portion of said lands now being platted into streets, avenues, parks or other public areas which are dedicated to the City of Bozeman for the public use and enjoyment.

DATED this _____ day of _____, 20____.

Stockman Bank of Montana

By: _____

State of _____)
s.s.
County of _____)

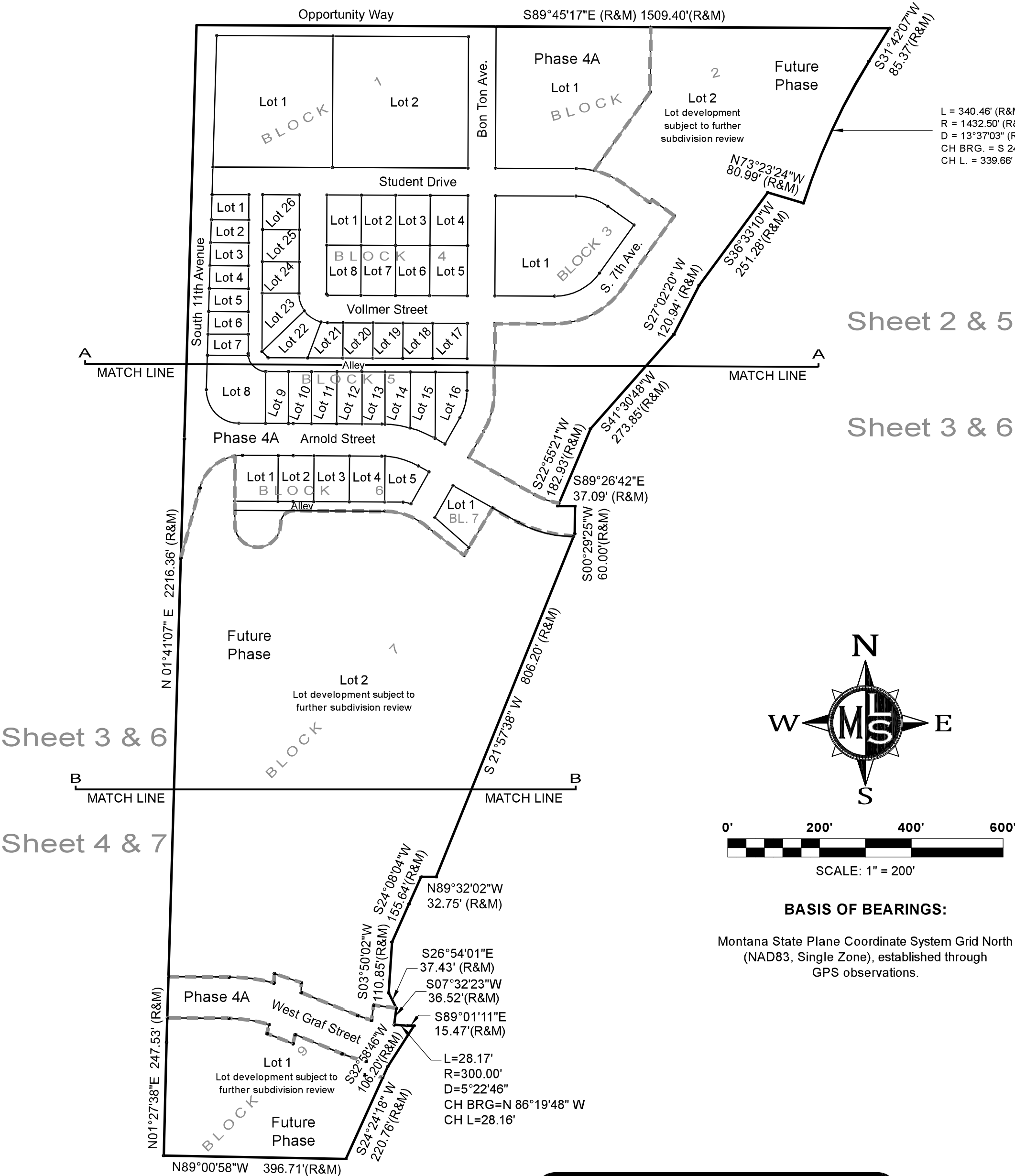
On this _____ day of _____, 20____, before me, a Notary Public in and for said state, personally appeared _____, known to me to be the person who signed the foregoing instrument as _____ of Stockman Bank of Montana, and acknowledged to me that such Lending Institution executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first written above.

signature

printed name

Notary Public for the State of _____
Residing at _____
My commission expires _____



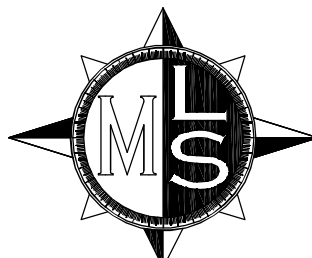
SUBDIVISION AREAS	
RESIDENTIAL LOTS (44 Ea.)	13.244 Acres
UNDEVELOPABLE LOTS (3 Ea.) [†]	25.896 Acres
STREET RIGHT-OF-WAY	8.902 Acres
Total =	48.04 Acres
PHASE 4A	22.147 Acres
FUTURE PHASE(S) [†]	25.896 Acres
Total =	48.04 Acres

[†] Lot 2 Block 2; Lot 2 Block 7 and Lot 1 Block 9 are hereby platted as undevelopable lots in accordance with Section 38.270.030 BMC.



MADISON ENGINEERING
895 Technology Boulevard
Suite 203, Bozeman, MT 59718
Phone (406) 586-0262 | (406) 586-5740 FAX

MERIDIAN LAND SURVEYING, INC.
610 Professional Drive, Suite 3, Bozeman, MT 59718
Phone (406) 624-6565
e-mail: meridiansurveying@yahoo.com



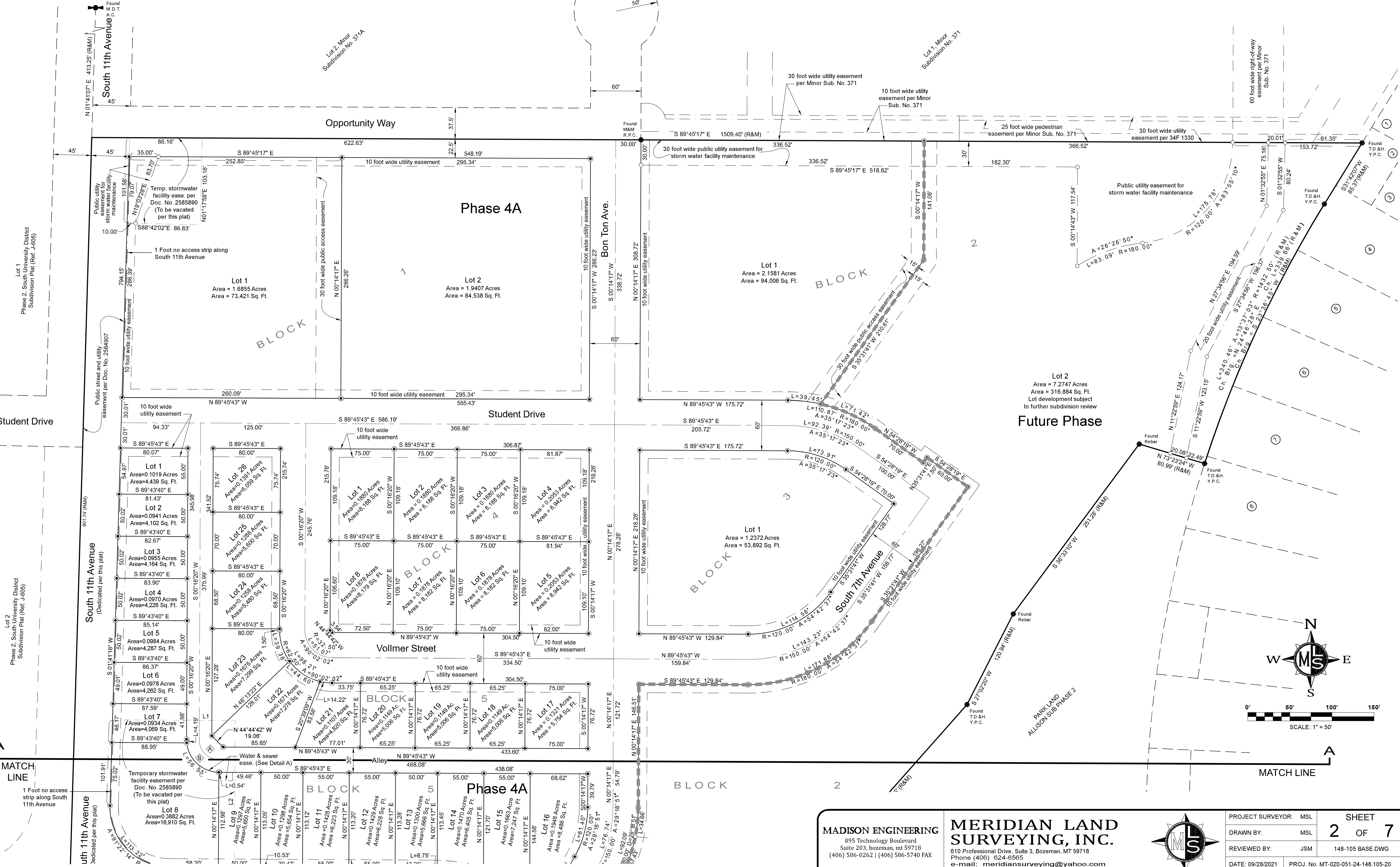
PROJECT SURVEYOR: MSL	SHEET 1 OF 7
DRAWN BY: MSL	
REVIEWED BY: JSM	148-105 BASE.DWG
DATE: 09/28/2021	PROJ. No. MT-020-051-24-148.105-20

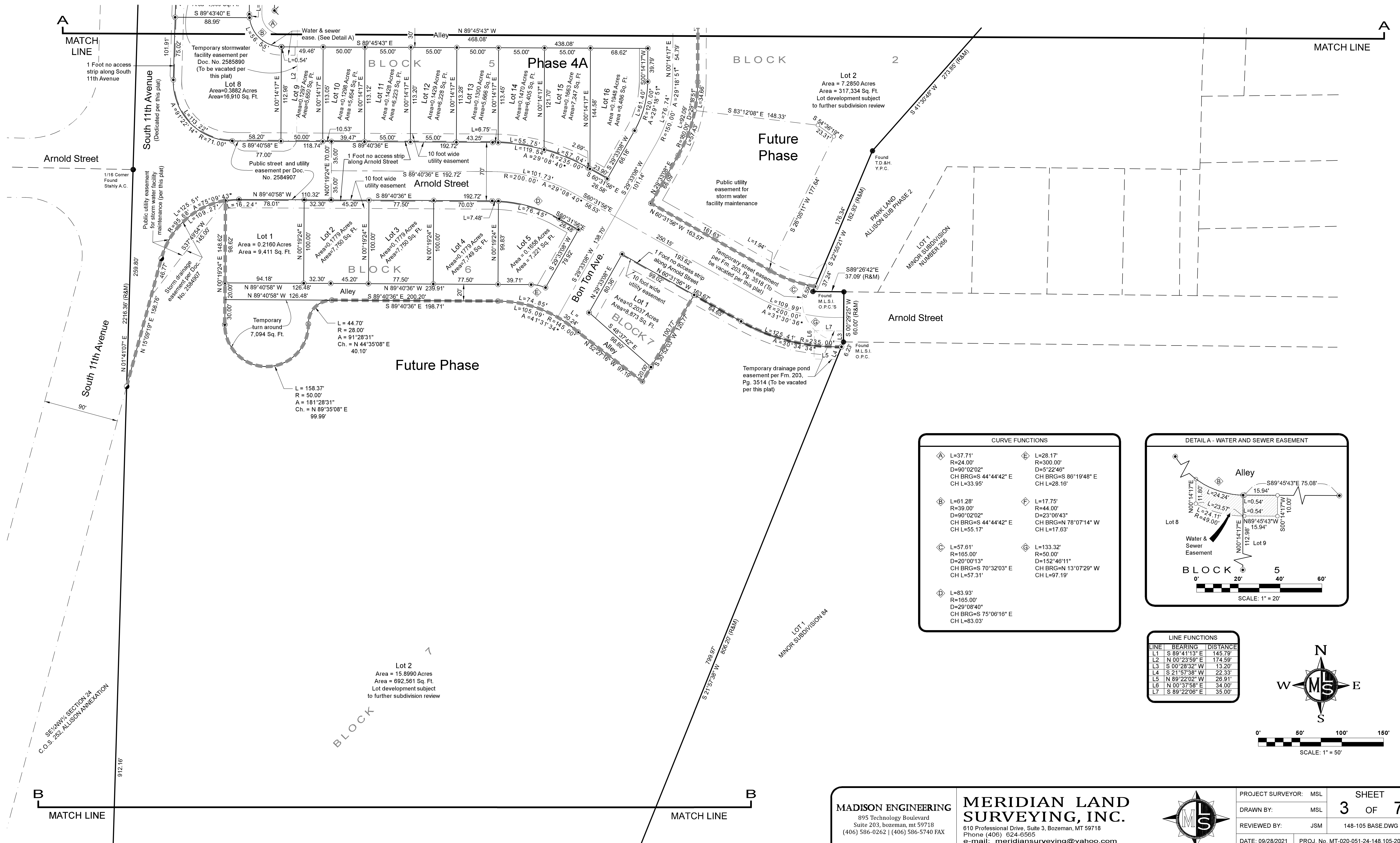
ALLISON SUBDIVISION PHASE 4A

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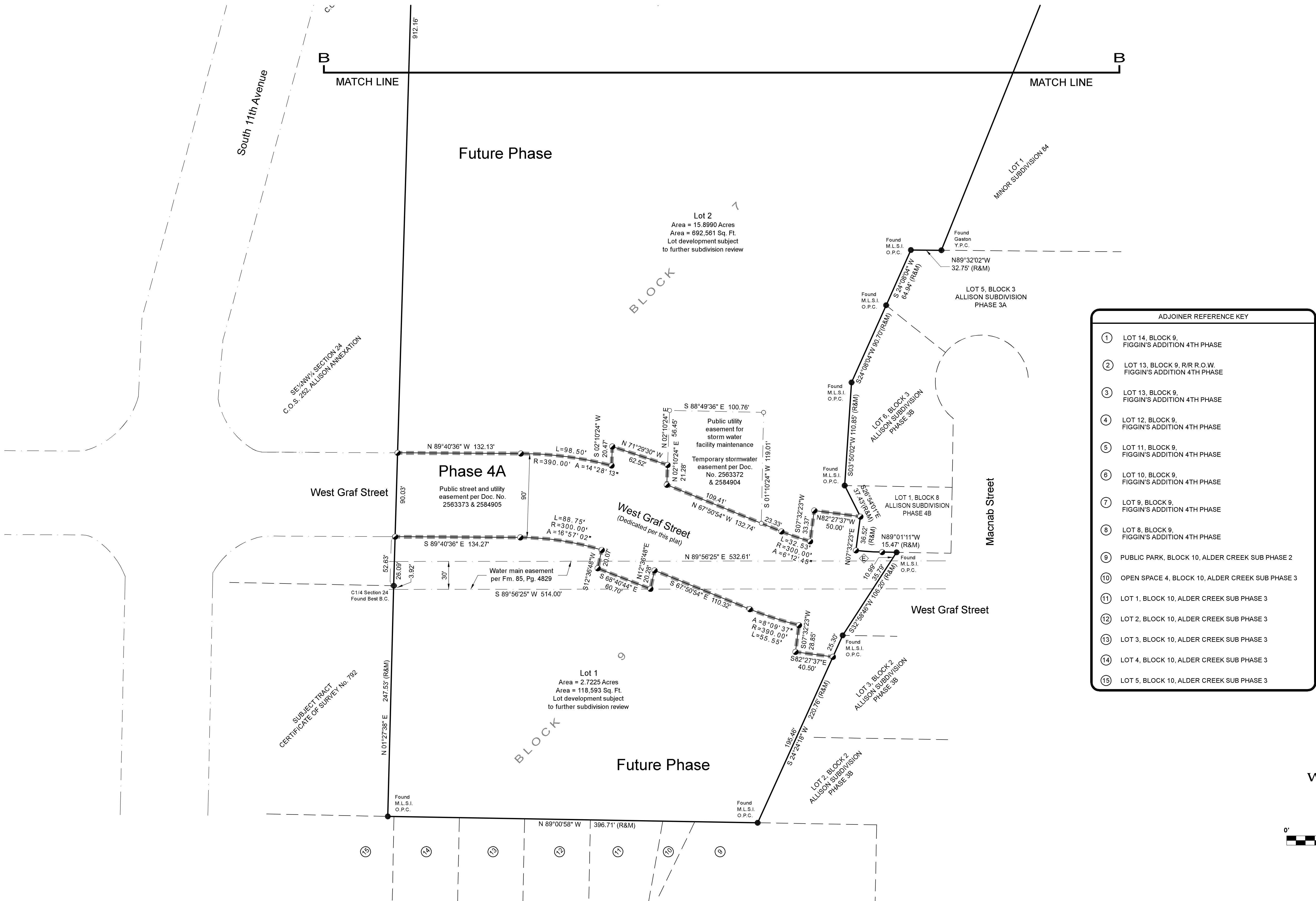


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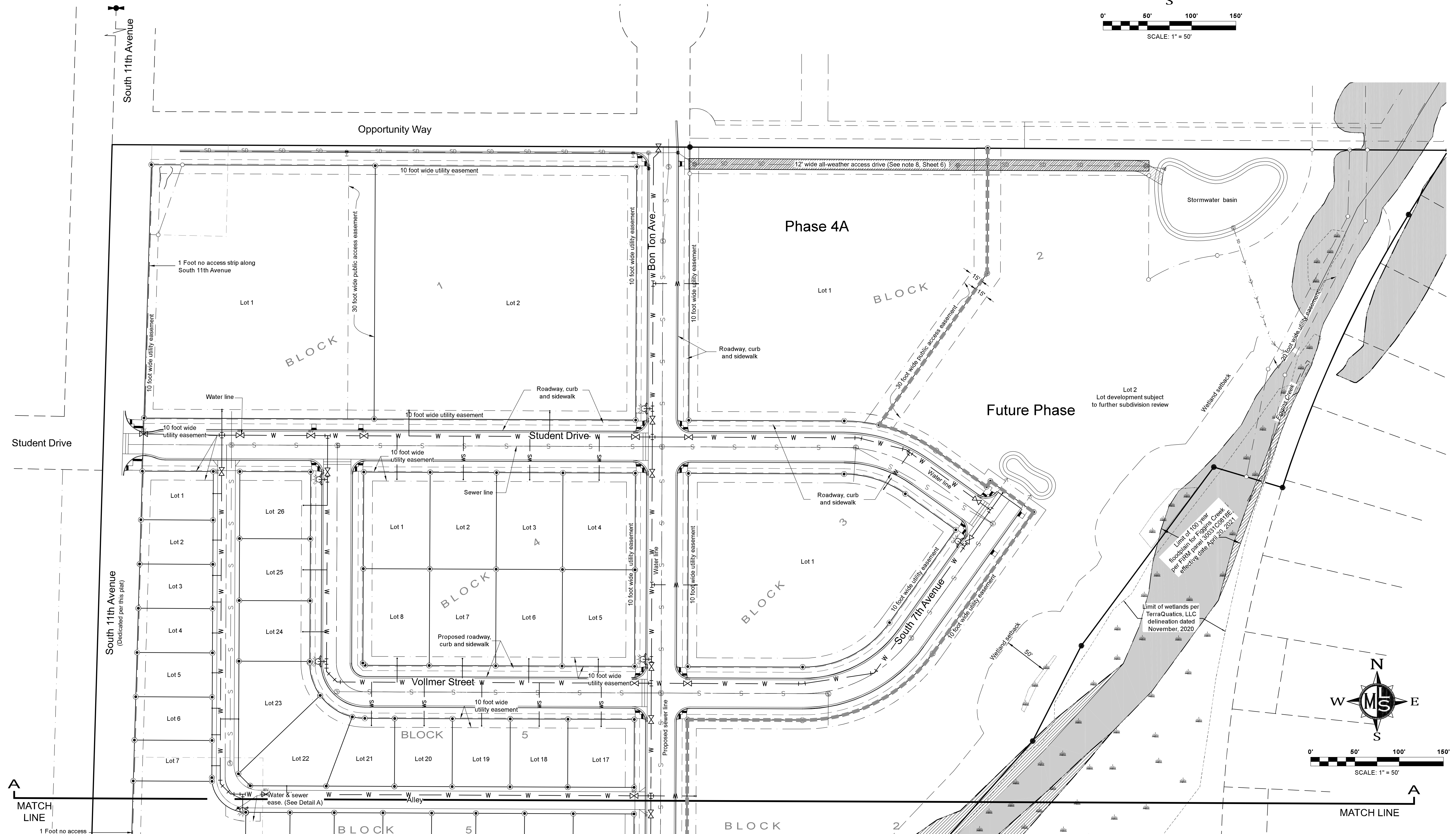
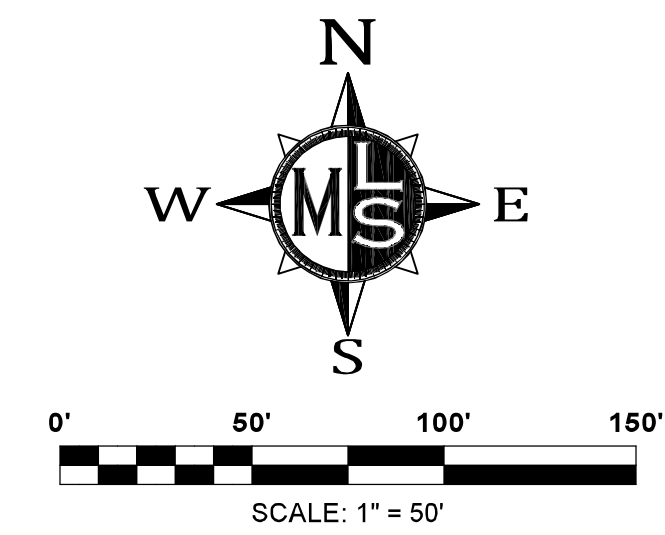
MADISON ENGINEERING

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PROJECT SURVEYOR: MSL		SHEET	
DRAWN BY: MSL		4 OF 7	
REVIEWED BY: JSM		148-105 BASE.DWG	
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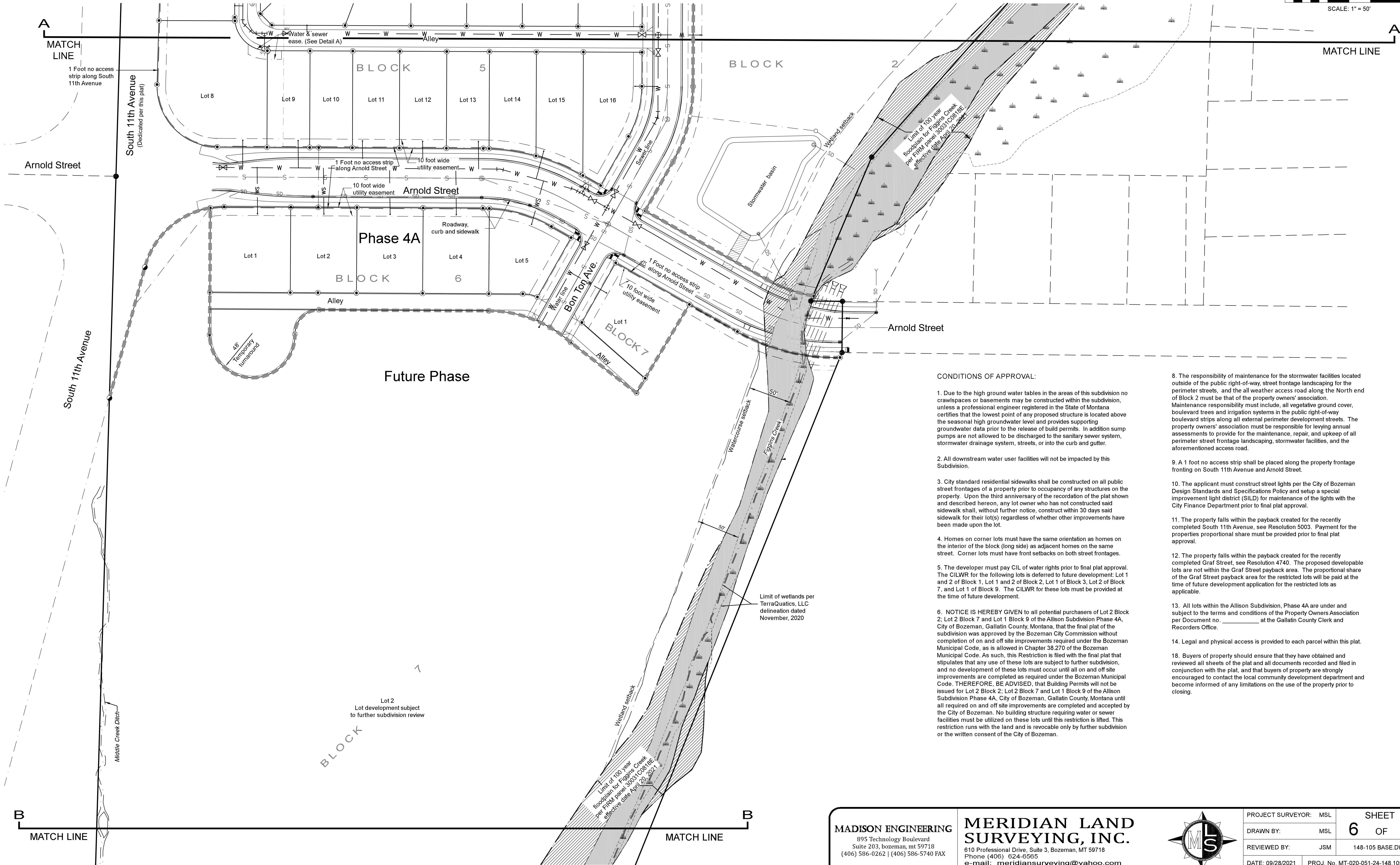
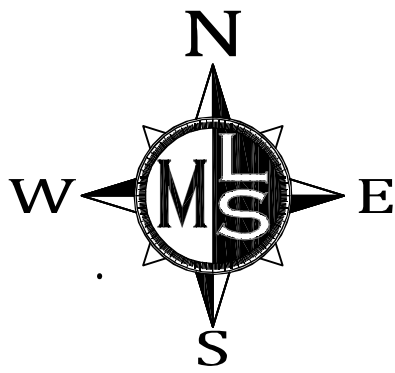


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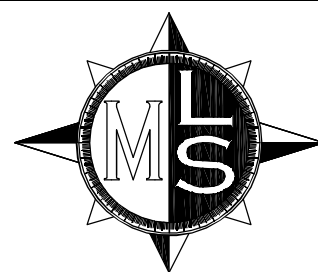


CONDITIONS OF APPROVAL:

- Due to the high ground water tables in the areas of this subdivision no crawlspaces or basements may be constructed within the subdivision, unless a professional engineer registered in the State of Montana certifies that the lowest point of any proposed structure is located above the seasonal high groundwater level and provides supporting groundwater data prior to the release of build permits. In addition sump pumps are not allowed to be discharged to the sanitary sewer system, stormwater drainage system, streets, or into the curb and gutter.
- All downstream water user facilities will not be impacted by this Subdivision.
- City standard residential sidewalks shall be constructed on all public street frontages of a property prior to occupancy of any structures on the property. Upon the third anniversary of the recordation of the plat shown and described hereon, any lot owner who has not constructed said sidewalk shall, without further notice, construct within 30 days said sidewalk for their lot(s) regardless of whether other improvements have been made upon the lot.
- Homes on corner lots must have the same orientation as homes on the interior of the block (long side) as adjacent homes on the same street. Corner lots must have front setbacks on both street frontages.
- The developer must pay CIL of water rights prior to final plat approval. The CILWR for the following lots is deferred to future development: Lot 1 and 2 of Block 1, Lot 1 and 2 of Block 2, Lot 1 of Block 3, Lot 2 of Block 7, and Lot 1 of Block 9. The CILWR for these lots must be provided at the time of future development.
- NOTICE IS HEREBY GIVEN to all potential purchasers of Lot 2 Block 2; Lot 2 Block 7 and Lot 1 Block 9 of the Allison Subdivision Phase 4A, City of Bozeman, Gallatin County, Montana, that the final plat of the subdivision was approved by the Bozeman City Commission without completion of on and off site improvements required under the Bozeman Municipal Code, as is allowed in Chapter 38.270 of the Bozeman Municipal Code. As such, this Restriction is filed with the final plat that stipulates that any use of these lots are subject to further subdivision, and no development of these lots must occur until all on and off site improvements are completed as required under the Bozeman Municipal Code. THEREFORE, BE ADVISED, that Building Permits will not be issued for Lot 2 Block 2; Lot 2 Block 7 and Lot 1 Block 9 of the Allison Subdivision Phase 4A, City of Bozeman, Gallatin County, Montana until all required on and off site improvements are completed and accepted by the City of Bozeman. No building structure requiring water or sewer facilities must be utilized on these lots until this restriction is lifted. This restriction runs with the land and is revocable only by further subdivision or the written consent of the City of Bozeman.
- The responsibility of maintenance for the stormwater facilities located outside of the public right-of-way, street frontage landscaping for the perimeter streets, and the all weather access road along the North end of Block 2 must be that of the property owners' association. Maintenance responsibility must include, all vegetative ground cover, boulevard trees and irrigation systems in the public right-of-way boulevard strips along all external perimeter development streets. The property owners' association must be responsible for levying annual assessments to provide for the maintenance, repair, and upkeep of all perimeter street frontage landscaping, stormwater facilities, and the aforementioned access road.
- A 1 foot no access strip shall be placed along the property frontage fronting on South 11th Avenue and Arnold Street.
- The applicant must construct street lights per the City of Bozeman Design Standards and Specifications Policy and setup a special improvement light district (SILD) for maintenance of the lights with the City Finance Department prior to final plat approval.
- The property falls within the payback created for the recently completed South 11th Avenue, see Resolution 5003. Payment for the properties proportional share must be provided prior to final plat approval.
- The property falls within the payback created for the recently completed Graf Street, see Resolution 4740. The proposed developable lots are not within the Graf Street payback area. The proportional share of the Graf Street payback area for the restricted lots will be paid at the time of future development application for the restricted lots as applicable.
- All lots within the Allison Subdivision, Phase 4A are under and subject to the terms and conditions of the Property Owners Association per Document no. _____ at the Gallatin County Clerk and Records Office.
- Legal and physical access is provided to each parcel within this plat.
- Buyers of property should ensure that they have obtained and reviewed all sheets of the plat and all documents recorded and filed in conjunction with the plat, and that buyers of property are strongly encouraged to contact the local community development department and become informed of any limitations on the use of the property prior to closing.

MADISON ENGINEERING
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PROJECT SURVEYOR:	MSL	SHEET	6 OF 7
DRAWN BY:	MSL		
REVIEWED BY:	JSM	148-105 BASE.DWG	
DATE: 09/28/2021	PROJ. No. MT-020-051-24-148.105-20		

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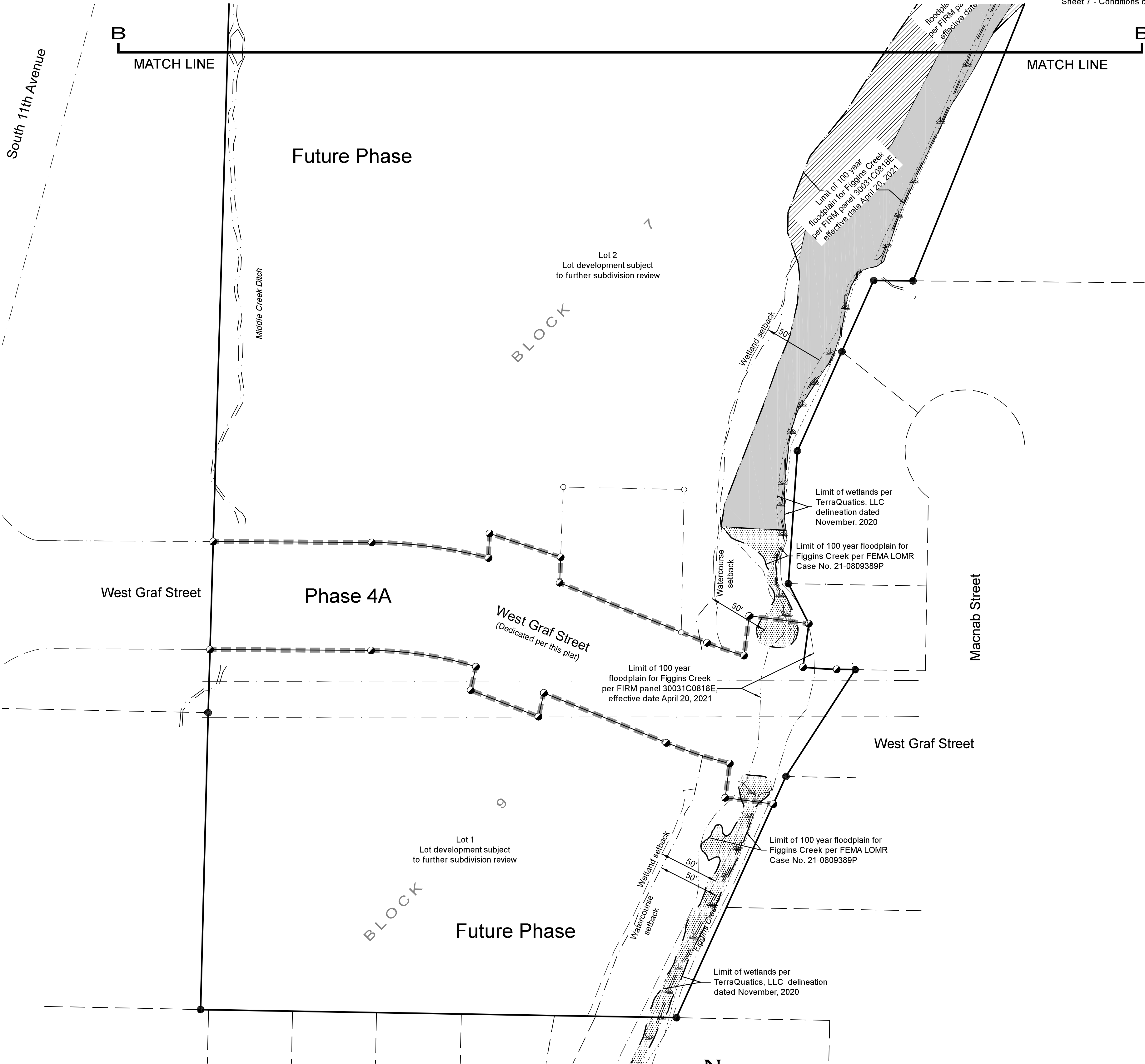
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LEGEND OF LINE TYPES & SYMBOLS

●	PROPERTY CORNER - MATERIAL AS NOTED
⊙	PROPERTY CORNER - MERIDIAN O.P.C. ¹
○	PROPERTY CORNER - SET MERIDIAN O.P.C.
○	EASEMENT CORNER - NOTHING SET
O.P.C.	MERIDIAN ORANGE PLASTIC CAP
(R)	RECORD DIMENSION
(M)	MEASURED DIMENSION
—	PERIMETER PROPERTY BOUNDARY LINE
- - -	INTERIOR LOT LINE
- - -	ADJOINING PROPERTY BOUNDARY LINE
- - -	EASEMENT
- - -	PHASE LINE (CURRENT AND FUTURE)
- - -	EDGE OF STREAM OR DITCH
- - -	FLOODPLAIN BOUNDARY
▨	REGULATORY FLOODWAY PER FIRM PANEL 30031C0818E, EFFECTIVE DATE 4/20/21
▨	FLOODPLAIN PER FEMA LOMR Case No. 21-08-0389P
▨	ZONE AE PER FIRM PANEL 30031C0818E, EFFECTIVE DATE 4/20/21
☀	WETLANDS

¹ Per 24-183.1101(d), A.R.M., interior lot corners have not been set prior to the filing of the final plat of the Allison Subdivision, Phase 4A, due to ongoing construction activities. These lot corners will be set within 240 days of the date on which the plat has been filed at the Clerk and Records Office.



CERTIFICATE OF CONDITIONS OF APPROVAL:

(I), (We), the undersigned property owner(s), do hereby certify that the text and/or graphics shown on the Conditions of Approval sheet(s) represent(s) requirements by the governing body for final plat approval and that all conditions of subdivision application have been satisfied.

(I), (We), the undersigned property owner(s), do hereby certify that the information shown is current as of the date of this certification, and that changes to any land-use restrictions or encumbrances may be made by amendments to covenants, zoning regulations, easements, or other documents as allowed by law or by local regulations.

(I), (We), the undersigned property owner(s), do hereby certify that (I) (We) acknowledge that federal, state, and local plans, policies, regulations, and/or conditions of subdivision approval may limit the use of the property, including the location, size, and use as shown on the Conditions of Approval sheet or as otherwise stated. Buyers of property should ensure that they have obtained and reviewed all sheets of the plat and all documents recorded and filed in conjunction with the plat. Buyers of property are strongly encouraged to contact the local planning department and become informed of any limitations on the use of the property prior to closing.

Bon Ton, Inc. of Billings

By: Eugene Graf III, President

State of Montana)
County of Gallatin s.s.)

On this _____ day of _____, 20____, before me, a Notary Public in and for said state, personally appeared Eugene Graf III, known to me to be the person who signed the foregoing instrument as President of Bon Ton, Inc. of Billings, and acknowledged to me that such Corporation executed the same. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first written above.

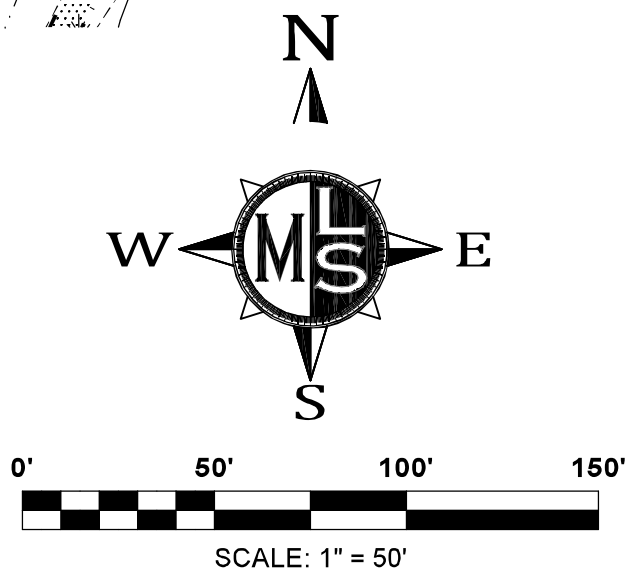
Signature _____

Chris Budeski

Notary Public for the State of Montana
Residing at Bozeman, MT
My commission expires _____

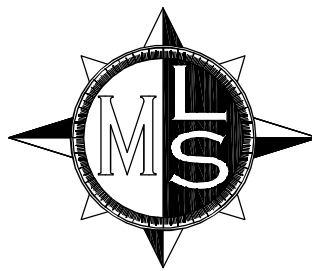
PARK AND RECREATION FACILITIES							
Subdivision Name: Allison Subdivision Ph 4	Current			Previous Phases			
	Total for Subdivision	Phase 4B	Phase 4A	Phase I (Minor Sub 266) Park Ded. (acres)	Phase II Park Ded. (acres)	Phase 3A Park Ded. (acres)	Phase 3B Park Ded. (acres)
Number of res. Units per phase/lots/site plan:	Unknown	1	Unknown	4	24	8	4
Acreage park land required (0.03 ac/DU):	8.27	0.03	2.43	0.12	0.72	0.24	0.12
Value of cash- or improvements- in lieu proposed:	N/A	N/A (using excess from previous phase)	\$49,449.31*	N/A	N/A	N/A	N/A
Acreage park land previously deeded to COB:	N/A	N/A	N/A	N/A	3	N/A	N/A
Acreage park land yet to be conveyed:	6.41	N/A	0.659	N/A	N/A	N/A	N/A

* Phase 4A is required to provide CLIP for 0.66 acres. The current appraisal value as of April 2021 is \$1.72 psf so CLIP owed is \$49,449.31.



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PROJECT SURVEYOR: MSL	SHEET
DRAWN BY: MSL	7 OF 7
REVIEWED BY: JSM	148-105 BASE.DWG
DATE: 09/28/2021	PROJ. No. MT-020-051-24-148.105-20

Memorandum

REPORT TO: City Commission

FROM: Anna Rosenberry, Assistant City Manager

SUBJECT: Authorize the City Manager to Enter into Sub-Recipient Agreements for ARPA Household & Worker Assistance

MEETING DATE: November 23, 2021

AGENDA ITEM TYPE: Agreement - Agency/Non-profit

RECOMMENDATION: Authorize the City Manager to Enter into Sub-Recipient Agreements for ARPA Household & Worker Assistance

STRATEGIC PLAN: 1.4 Business and Institutional Partnerships: Explore opportunities for partnerships with key business groups and non-profit organizations.

BACKGROUND:

During its annual budget-setting hearings for Fiscal Year 2022, the City of Bozeman allocated up to \$500,000 of its American Rescue Plan - COVID relief funding to be awarded to one or more subrecipients that could deliver assistance to households and workers effected by the pandemic. We issued a Request for Proposals (RFP) in September and received proposals that met the selection criteria.

Based on the proposals received, the we recommend that the City enter multiple subrecipient agreements to award a portion of the budgeted allocation. We recommend authorizing the City Manager to enter into agreements with:

Subrecipient Entity	Agreement Amount
Human Resource Development Council (HRDC)	\$100,000
Family Promise of Gallatin County	\$75,630
Montana Racial Equity Project	\$75,000
<u>World Language Initiative</u>	<u>\$57,200</u>
Total Subrecipient Awards:	<u>\$307,830</u>

The proposals from each entity are attached. The subrecipient agreements will incorporate the proposal details as their scope of work.

The RFP contained a sample agreement and the relevant federal compliance

information. The RFP is linked [here](#), and shows a sample agreement that will be signed by the City and the Sub Recipients.

UNRESOLVED ISSUES: Because we are awarding a portion of the total budget allocation, we will have approximately \$192,000 of the budget allocation remaining for future awards.

ALTERNATIVES: None recommended.

FISCAL EFFECTS: The City will enter into subrecipient agreements with the above entities, totaling \$307,830. The entities will distribute funds to qualified applicants and then request reimbursement of the funds on a monthly or quarterly basis from the City's Finance Department. The City will make the associated payments from its ARPA Fund. The City will need to meet audit compliance, and federal reporting requirements on the disbursements.

Attachments:

[Proposal to City of Bozeman-ARPA Economic Impact Response - HRDC.pdf](#)

[FPGV Grant Request to Bozeman City ARPA Funds September 2021 - Final copy.pdf](#)

[MTREP ARPA Grant Application 2021.pdf](#)

[WLI-MT ARPA City of Bozeman Proposal \(9_29_21\).pdf](#)

Report compiled on: November 9, 2021

**Proposal to City of Bozeman
American Rescue Plan
Economic Stabilization Response
Human Resource Development Council, IX**

Executive Summary

In response to the economic impacts of COVID-19 pandemic on Bozeman residents, the HRDC is proposing to utilize the Coronavirus State and Local Fiscal Recovery Funds noted in the Request for Proposal released by the City of Bozeman to support the immediate economic stabilization for households and businesses. It is our intention to pair much needed financial support in the areas of childcare and unanticipated household expenses with financial coaching in order to support families to more effectively achieve economic stability during this current period of economic insecurity.

Recent and ongoing partnerships with the City of Bozeman and HRDC work to address the housing needs of so many local families who are struggling as a result of the pandemic. With this funding request, HRDC aims to connect with families who are currently housed, but whose economic stability is tenuous due to the high cost and high demand for childcare and other unforeseen household expenses. In our conversations with both local employers as well as local families, the availability and affordability of childcare is one of the critical factors that impact the ability of our local workforce to return to their jobs. We propose that a direct subsidy to households with children in care, or seeking care will create an immediate increase in economic stability for the families as well as provide greater workforce security for our local employers by helping capable, talented people return or enter our local job market.

We recognize that as the result of the pandemic, the cost of living in our area has increased rapidly. HRDC works with many customers who have been impacted by COVID who are faced with one time unforeseen household expenses, which impact the health and safety of our local families, such as frozen pipes, leaking roofs, transportation or other emergency needs. This proposal aims to support those impacted Bozeman families with not only the financial support for household crises or childcare subsidies, but also to pair this with a financial coach who can assist them in developing plans and habits to support their long term economic stability. Economically healthy citizens help not only our local families, but the economic health of our local business and the entire Bozeman community.

HRDC Profile

The Human Resource Development Council of District IX, Inc. (HRDC), a private not-for-profit 501(c)(3) Community Action Agency, formed in 1975 to instill hope, develop resources, design solutions and change lives. As a Community Action Agency, HRDC's responsibility is to identify and respond to our community's most pressing needs and support resilience in a place where opportunity and quality of life are equally afforded to everyone. Our breadth of programs demonstrate our commitment to this: Housing, Child & Youth Development, Food & Nutrition, Senior Empowerment, Community Transportation, Energy Assistance and Community Development.

We provide services across the entire continuum of need. We tackle housing instability, operating two warming centers. Rental assistance, down payment assistance, transitional housing, and homeless support help around 500 families a year find stable housing (and educate and prepare hundreds more for home ownership); while property management of 8 facilities guarantees affordable housing for hundreds more. Our approach to hunger and food security includes operating three food banks, a pay what you can social enterprise restaurant, culinary training opportunities, and food-to-school initiatives. Early Childhood Education and HeadStart programs serve 200 families annually; Senior programming supports more than 1700 elders in the community, meeting their unique needs. Our transportation services, Streamline and Galavan, provide more than 313,000 free rides each year, and Energy Assistance supports 2500 families paying their energy bills. While the Covid-19 pandemic has certainly added challenges to this programming, HRDC has never wavered in its commitment to address the systemic needs of our community.

Audit Report - see attached**Related Experience**

HRDC has a long and successful history in partnering with the City of Bozeman as a subcontractor or sub recipient of funding in the provision of services to the benefit of Bozeman residents. Previous experience includes the provision of homebuyer education to local residents, the maintenance of the City's affordable housing waitlist and ongoing compliance with the affordable housing programs, as well as previous COVID response grants which are directly administering benefits to Bozeman residents in their pursuit of stable and secure housing. HRDC also has been successful in the provision of financial coaching to local residents with a national proven system for supporting growth in economic stability.

Program Description

Economic Impact Response

Child care is an essential part of our economy, enabling families to work while preparing children for school and employing a large workforce. Unfortunately, the coronavirus public health crisis has exacerbated the challenges that decades of underinvestment have produced in the child care system. Bozeman has a large population of working parents with young children who need child care to work. Prior to the pandemic, our child care system served only half of children needing care, and the number of providers had decreased in the previous decade. In Montana, 320 of the 859 licensed and registered family, group, and child care providers closed following the April 1 stay-at-home order, reducing Montana's child care capacity by over 10,000 slots. At the same time we have a shortage of available workers to keep our local businesses open and operating. This proposal aims to support both local families and local businesses in supporting Bozeman residents to reenter the workforce with the support of a childcare subsidy.

In addition to the cost of childcare being out of reach for families who have been financially impacted by the COVID public health emergency, we also recognize that there are also many families who are now unprepared to respond to unforeseen household expenses. Examples of these expenses include home repairs such as plumbing or roof repair, as well as auto repair. For our Bozeman families who are already grappling with a high cost of living, these one time expenses can often mean the difference between economic stability and dire consequences.

Our proposal pairs financial support for these unexpected expenses and childcare subsidies with one on one financial coaching for the families that are accessing these supports. HRDC currently offers financial and career coaching to local residents. Financial coaches work with local families to support them in achieving their financial goals and taking control of their financial situation through spending and savings plans, credit support and accessing additional income support. It is our aim that by pairing coaching with financial support, we can strengthen our Bozeman community to weather the impacts of the pandemic.

Funding Requested

HRDC is currently requesting \$100,000 in funding to immediately address the economic stability of Bozeman residents. This funding will support the following activities.

- ☐ Childcare Subsidies: Direct Payment to local childcare providers on behalf of local families to support parents in getting back to work estimated at \$55,000 for the contract period

- ☐ Subsidies of \$200/month will be provided to families who are earning between 180-250% of the Federal Poverty Level
- ☐ A limited number of \$500/month subsidies will be provided to families who are earning less than \$180% of the Federal Poverty Level AND were screened to ineligible for the Best Beginnings Scholarships
- ☐ Unexpected Household Expenses: These direct payments to households or household vendors (i.e. plumber, mechanic, repairs, etc.) will be made to support local households who have been impacted by covid and are experiencing an unanticipated household expense that jeopardizes their economic stability; estimated at \$25,000 for the contract period.
- ☐ Financial Coaching: One half of an FTE dedicated to providing financial coaching and determining eligibility for the assistance noted above for Bozeman households who are cost burdened and financially insecure; estimated at \$20,000 for contract period.

Funding Distribution

Bozeman families who are seeking support with either childcare subsidies or unforeseen household expenses will initially meet with a financial coach. Those who are determined to be eligible and appropriate for financial assistance based on the criteria outlined above, will receive that assistance directly to their childcare provider or to the repair company or plumber providing the assistance. HRDC in its current provision of services already has the financial capacity and mechanisms in place to support these activities. In cases in which financial assistance cannot be provided directly to the service provider, that assistance can be provided to the household.

Administrative Fees

There will be no administrative fees associated with the provision of these services.

Federal Compliance

The HRDC has an annual operating budget of approximately \$9 million, total assets of approximately \$22 million, and employs over 100 individuals. The HRDC administers over 60 individual grants and contracts on an annual basis as the grantee. A full set of audited financial statements are available. In addition, the HRDC has served as the fiscal sponsor for several community projects, including the Community Incentive Program, Bozeman Turner Youth Initiative, HRDC Directors Association, and Volunteer Connections of Southwest Montana. Community groups approach the HRDC for fiscal sponsorship due

to our excellent track record and expertise in managing federal grants and our high level of accountability for funds placed in our care.

The HRDC has an established system of internal controls to ensure that financial transactions are properly authorized, accounted for, executed in compliance with laws, regulations and the provisions of contracts, and that assets are safeguarded against loss from unauthorized use or disposition. This system also functions to minimize the time elapsed between the receipt of funds and the disbursement of those funds for program activity. The HRDC's internal controls are tested each year during the annual external audit (see below under Financial Accountability).

The HRDC is able to trace expenditures for individual programs to a level adequate to establish that funds have not been used in violation of specific program requirements. A strong audit trail exists for all accounting transactions, and every dollar expended on a program can be traced to the General Ledger and to supporting documentation. The HRDC maintains a tight internal control structure to ensure that grant funds are only used in accordance with the terms of the grant agreement, applicable OMB Circulars, and Generally Accepted Accounting Principles. The HRDC's fiscal staff has over 30 years of combined experience administering federal, state, and local grants and contracts. Fiscal staff members are very knowledgeable of Generally Accepted Accounting Principles (GAAP), federal and state laws and regulations, OMB Circulars, and specific requirements of federal grants.

City Compliance

HRDC has an agency-wide belief in the power of evaluation and assessment, and a long history of programmatic tracking, as well as a long history of complying with a wide variety of funder requests for reporting and validation. We believe that accurate collection of data and tracking individual and program progress is the best, and really the most reliable, measure of our effectiveness at achieving outcomes and having the impacts we (and our funders) desire. We have also had a successful history in meeting City Compliance requirements as identified in the subrecipient agreement with this request for proposal.

Equity in service provision

HRDC has a long-standing commitment to racial justice, coordinated through the Racial Equity Working Group (which actively works to diversify staff and Board, ensures principles of equity and racial justice are aligned throughout policy, governance, and delivery of services. It also oversees direct outreach to communities of color in our region). That said, census data confirms our service area (and Montana generally) to be around 90% white, non-Hispanic or Latino (those identifying as Native American are the

second largest racial group, at around 6-7%). We actively engage Native communities and the increasing numbers of Latinx members of our communities; at the same time, HRDC works diligently to dismantle, structural white privilege (ongoing, efforts to redress widespread poverty and its effects speak to this) Our housing, hunger, transportation, education, finances--all our programs tackle systemic barriers to equity and opportunity; our financial education and economic stability focus is a direct action against historical privileging of white citizens--and arguably, white men--in areas of economic prosperity, wealth accumulation, and legacy policies. In other parts of the country, our work would manifest as direct support of people of color; here, it manifests as a concerted effort to deconstruct systems that perpetuate poverty and economic inequity. HRDC is also engaged in a partnership with Montana Language Services to ensure that all local community members have access to our services regardless of their home language or english proficiency.

Schedule for Program and Funding Distribution

HRDC is currently prepared to begin offering these services upon receipt of the funding. We are currently working with families who would benefit from financial assistance, as well as financial coaching. We anticipate that during the remainder of 2021 our agency would work with existing customers, while concurrently engaging in outreach to our community partner and business partners in order to connect with Bozeman residents who may best benefit from the services indicated in this proposal. We anticipate that the majority of the funding would be allocated and distributed to households during 2023, as word of mouth and other outreach efforts ensure we are reaching a wide spectrum of Bozeman residents. The funding would be fully expended in early 2024, prior to the July 2024 requirement.



**HUMAN RESOURCE DEVELOPMENT
COUNCIL OF DISTRICT IX, INC.**

CONSOLIDATED FINANCIAL REPORT

June 30, 2020 and 2019



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Human Resource Development Council of District IX, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Human Resource Development Council of District IX, Inc. as of June 30, 2020 and 2019, 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.

Effect of Adopting New Accounting Standards

As discussed in Note 1, the Organization adopted the Financial Accounting Standards Board's Accounting Standard Updates (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 958)*, ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, ASU 2016-01, *Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*, ASU 2018-03, *Technical Corrections and Improvements to Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*, ASU 2016-15 *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments*, ASU 2016-18, *Statement of Cash Flows (Topic 230) – Restricted Cash* and ASU 2018-13 *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement* as of and for the year ended June 30, 2020. Our opinion is not modified with respect to these matters.

Other Matters

Supplemental and Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on pages 57 through 117 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Management's discussion and analysis on pages 4 through 6, which is the responsibility of management, includes information of a nonaccounting nature and has not been subjected to the auditing procedures applied in the audits of the financial statements. Accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2021, on our consideration of the Human Resource Development Council of District IX, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Human Resource Development Council of District IX, Inc. internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Human Resource Development Council of District IX, Inc. internal control over financial reporting and compliance.

Anderson Zurmuehlen & Co., P.C.

Bozeman, Montana
June 16, 2021



Management Discussion & Analysis

Our previous fiscal year started with an urgent need to find funding and financing to preserve a rare, local, irreplaceable treasure, the Boulevard Apartments. This downtown Bozeman apartment complex has been home to some of our community's most vulnerable for decades. Everyone who lives there is either extremely low income or very low income and struggling to find ways to put food on the table each and every day, yet grateful for the place they call home.

Thanks to a patient and committed seller, local investors wanting to make a difference in our community, and a Board of Directors that understands the critical nature of preserving subsidized housing in our community, we were able to save 41 homes. This started our pilot of local social impact investing and resulted in a low income housing tax credit award that will rehabilitate and preserve 230 homes in Bozeman and Livingston, affordable for our low and extremely low income residents.

These are the partnerships and community solutions we are chartered to identify and implement. We had many other housing successes throughout the year – the development and completion of the first 18 homes affordable to families that live and work in Big Sky, with 34 more being developed in Phase 2. We got final plat approval on the first missing middle homeownership development in Bozeman.

We also worked with local partners to reinvent and revision public transit in the greater Bozeman area, mapping out a plan to build and implement a strategic, regional public transit solution.

We also experienced the onset of the Pandemic. From providing portable restrooms to leasing a hotel to provide shelter in place space for our neighbors without homes to virtual pre-K to ensuring every essential worker still had a ride to work and every senior had a ride to dialysis treatment to transitioning our youth home to a supportive classroom to make sure our youth graduate high school to partnering with the school districts to make sure every student had food to delivering essential products to our homebound neighbors, we were here for every member of our community.

This response exposed the very weaknesses in our economy and community that we respond to each and every day, highlighting how vulnerable all of us can be. It also forced us to work without 3,500 of our team members – our volunteer workforce. We miss you and we cannot wait to have each and every one of you back at the helm. We are committed to continuing to respond to and meet surfacing needs resulting from the impact of the pandemic.

Financially, HRDC continues to operate very efficiently. Our combined administration and fundraising expense ratio is less than 10% of our total annual expenses of operations based on HRDC's Consolidated Statement of Functional Expenses for fiscal year 2019-20.



In addition to our 2019-20 ongoing core operations, HRDC's Consolidated Statement of Activities for the fiscal year ended June 30, 2020 includes:

- nonrecurring sales of 29 affordable workforce housing units constructed in Big Sky and Bozeman totaling \$7,210,000;
- pledged contributions restricted for future capital projects of \$2,611,601;
- nonrecurring capital grants of \$2,323,375 consisting of
 - \$1,884,163 to assist affordable workforce housing construction in Big Sky and Bozeman,
 - \$355,000 to assist with downpayment assistance loans to eligible homebuyers of affordable workforce housing units constructed in Big Sky, and
 - \$84,212 to assist with the purchase of two additional Galavan vehicles to help meet our area's growing public transportation and paratransit needs.

The prior fiscal year 2018-19 also included nonrecurring activities, primarily:

- nonrecurring capital grants of \$1,919,865 consisting of
 - \$1,750,000 to purchase land for workforce housing construction in Big Sky, and
 - \$169,865 to assist with purchasing three Galavan vehicles for paratransit transportation;
- nonrecurring non-cash land donation \$1,600,000 for Bozeman workforce housing development;
- pledged contributions restricted for future capital projects of \$585,720; and
- nonrecurring sales of affordable condominiums and other housing units of \$344,400.

Excluding these nonrecurring activities, HRDC had ongoing revenues from our core operations of \$17.8 million and corresponding expenses of \$18.0 million in fiscal year 2019-20, compared with ongoing core revenues of \$16.0 million and expenses of \$16.4 million in the prior fiscal year 2018-19. In short, HRDC's programs and activities, taken as a whole, used slightly more resources to sustain our ongoing core operations than we received and mobilized in resources during fiscal years 2019-20 and 2018-19.

The revenues reported in HRDC's Consolidated Statement of Activities also include \$2.9 million in non-cash contributions of food received from donors in fiscal year 2019-20, as required by U.S. generally accepted accounting principles, and the reported expenses include a corresponding amount of non-cash distributions of food to customers.



These non-cash contributions and distributions of food are valued at \$1.62 per pound, which is the industry standard estimate of their fair market value. If these non-cash contributions and distributions of food were also excluded, in addition to the nonrecurring activities excluded in the paragraph above, HRDC's adjusted ongoing core revenues would be \$14.9 million and adjusted ongoing core expenses would be \$15.1 million for fiscal year 2019-20.

Additional information on the revenues, expenses, and net results of the ongoing, individual programs and activities of HRDC is reported in the supplemental schedules found on pages 57 through 117.

As we look to 2021, we will craft a new strategic plan, continue our development and preservation of affordable homes, and break ground on our new facilities. Our Strategic Plan will focus on the top 5 pressing issues facing our community (as identified in our Community Needs Assessment): Housing, Childcare, Transportation, Medical and Behavioral Health Care.

We will preserve 230 homes and build many new ones. Our partnerships will create hundreds of rental units across Bozeman and Livingston, creating homes on the ground that are affordable to Montana families.

We promise to continue to forge new ground in creative solutions to address homelessness, bringing the first tiny home community to Montana – Housing First Village. We will also continue our work to create a regional public transportation system, and develop and implement programming that will help families not only survive, but thrive.

HRDC's mission is to instill hope, develop resources, design solutions and change lives. We envision a place where poverty has no impact because opportunity and quality of life are equally afforded to everyone.



CONSOLIDATED FINANCIAL STATEMENTS

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 2,853,933	\$ 2,422,500
Escrow and building reserve	1,897,627	552,285
Certificates of deposit	-	155,673
Receivables (Note 3)		
Grantors	2,045,186	920,989
Accounts receivable, net	1,170,936	711,123
Pledges, net	2,897,321	585,720
Prepaid expenses	200,476	57,298
Investments (Note 4)	1,204,145	1,173,750
Inventory - supplies and food bank	321,827	289,686
Inventory - condominiums, federal constraints	1,264,406	323,076
Inventory - condominiums	-	402,533
Other asset - housing units	494,323	486,282
Deferred loans receivable, net (Note 3)	2,991,791	2,720,374
Construction in progress (Note 6)	7,524,701	4,875,658
Construction in progress, federal constraints (Note 6)	1,308,709	1,077,239
Property and equipment, net, federal constraints (Note 6)	8,929,031	9,644,261
Property and equipment, net (Note 6)	<u>14,330,666</u>	<u>8,333,594</u>
Total assets	<u>\$ 49,435,078</u>	<u>\$ 34,732,041</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
LIABILITIES		
Accounts payable	\$ 1,742,379	\$ 886,266
Accrued liabilities	374,819	331,100
Accrued vacation, sick, and paid time off	271,123	182,155
Accrued interest payable	16,605	20,067
Deposits payable	300,690	142,839
Unearned revenue (Note 7)	47,717	5,028
Notes payable (Note 8)	<u>17,984,413</u>	<u>9,682,105</u>
Total liabilities	<u>20,737,746</u>	<u>11,249,560</u>
NET ASSETS		
Without donor restrictions		
Undesignated	12,272,854	7,895,443
HRDC general endowment fund - board designated	5,542	5,542
Federal constrained inventory and capital assets	<u>11,502,146</u>	<u>11,044,576</u>
Total net assets without donor restrictions	23,780,542	18,945,561
With donor restrictions		
Purpose or time restrictions	4,752,978	4,382,317
Perpetual in nature (endowment)	<u>163,812</u>	<u>154,603</u>
Total net assets with donor restrictions	<u>4,916,790</u>	<u>4,536,920</u>
Total net assets	<u>28,697,332</u>	<u>23,482,481</u>
Total liabilities and net assets	<u>\$ 49,435,078</u>	<u>\$ 34,732,041</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contract revenue	\$ 999,029	\$ 1,071,907
Rental income	1,692,370	1,317,700
City/County/Local Government support	2,031,227	2,384,583
Sale of housing units	7,210,423	344,400
Contributions (including Fundraising):		
Grants:		
Federal	6,280,805	6,438,959
State	893,961	641,441
Private	1,278,455	305,447
Food (non-cash contributions)	2,920,791	3,164,087
Pledged contributions	2,611,601	585,720
Contributions & fundraising	2,994,590	1,794,979
Net investment income	38,968	116,870
Gain on sale of property	56,249	196,401
Other	342,476	186,707
Net assets released from program restrictions	<u>573,668</u>	<u>107,523</u>
Total revenues	<u>29,924,613</u>	<u>18,656,724</u>
EXPENSES		
Program services:		
Energy	1,077,026	1,326,870
Food and nutrition	4,738,571	4,693,394
Senior citizens	496,126	526,825
Community development	8,554,815	977,268
Economic and youth development	546,348	398,509
Housing	3,442,876	2,738,398
Early childhood education	1,980,674	2,220,007
Transportation	<u>2,542,983</u>	<u>2,343,930</u>
Total program services	<u>23,379,419</u>	<u>15,225,201</u>
Supporting services:		
Administration	1,063,464	1,041,368
Fundraising	<u>646,749</u>	<u>466,397</u>
Total supporting services	<u>1,710,213</u>	<u>1,507,765</u>
Total expenses	<u>25,089,632</u>	<u>16,732,966</u>
Change in net assets without donor restrictions	<u>\$ 4,834,981</u>	<u>\$ 1,923,758</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Purpose or time restricted contributions	\$ 944,329	\$ 2,862,207
Perpetually restricted contributions	9,209	100,372
Net assets released from restrictions	<u>(573,668)</u>	<u>(107,523)</u>
Change in net assets with donor restrictions	<u>379,870</u>	<u>2,855,056</u>
Total change in net assets	5,214,851	4,778,814
Net assets, beginning of year	<u>23,482,481</u>	<u>18,703,667</u>
Net assets, end of year	<u>\$ 28,697,332</u>	<u>\$ 23,482,481</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2020

	Program								Supporting		Total
	Energy	Food & Nutrition	Senior Programs	Community Development	Economic Development	Housing	Early Childhood Education	Transportation	Administration	Fundraising	2020
Program Expenses:											
Salaries	\$ 363,348	\$ 702,395	\$ 308,377	\$ 490,325	\$ 296,111	\$ 744,744	\$ 1,106,264	\$ 366,264	\$ 575,622	\$ 187,076	\$ 5,140,526
Bad debt	-	-	-	-	-	18,803	-	6,300	-	-	25,103
Client assistance	277,727	-	1,000	-	5,255	747,331	19,234	106,753	522	6,688	1,164,510
Closing costs and housing fees	-	-	-	314,592	-	2,850	-	-	-	-	317,442
Contract services	208,996	8,459	47,972	147,641	-	158,387	126,108	833,687	59,786	265,112	1,856,148
Cost of goods sold	-	-	-	7,112,408	-	-	-	-	-	-	7,112,408
Depreciation and amortization	16,399	55,730	-	4,721	32,342	384,452	87,723	398,258	11,446	3,564	994,635
Food	-	3,306,394	-	-	-	-	76,130	-	-	426	3,382,950
Fundraising	-	28,538	3,903	90	821	2,317	-	64	10	12,349	48,092
Insurance	13,353	24,862	4,134	34,666	6,066	38,638	22,196	97,725	4,354	1,364	247,358
Interest	-	10,744	-	(1,553)	20,959	260,773	37,982	-	16,313	-	345,218
Legal and audit	-	220	-	5,017	-	4,785	290	135	44,658	-	55,105
Loans forgiven	-	-	-	51,840	-	-	-	-	-	-	51,840
Office costs	10,106	25,195	11,820	32,901	5,494	37,627	27,487	28,106	40,327	21,054	240,117
Other	291	10,630	832	80,876	4,661	14,430	5,438	614	39,171	1,858	158,801
Outreach and marketing	3,362	9,055	208	690	3,743	3,071	418	68,997	7,681	19,302	116,527
Payroll taxes and benefits	101,466	190,667	76,144	142,988	90,312	186,258	331,008	107,251	164,856	55,704	1,446,654
Repairs and maintenance	3,218	12,652	-	1,013	2,975	136,835	6,258	236,853	20,421	-	420,225
Space and occupancy costs	28,021	104,748	27,112	95,150	33,700	448,248	73,346	58,561	(38,068)	20,901	851,719
Subgrants	-	187,976	-	6,324	-	-	-	-	-	-	194,300
Supplies	30,221	39,502	7,669	7,487	8,839	229,465	39,086	38,316	108,138	41,674	550,397
Trainee wages and benefits	-	-	-	-	24,188	-	-	-	-	-	24,188
Training	3,336	6,580	3,585	23,810	-	17,372	15,451	785	5,819	3,766	80,504
Travel and transportation	17,182	14,224	3,370	3,829	10,882	6,490	6,255	194,314	2,408	5,911	264,865
Total expenses	<u>\$ 1,077,026</u>	<u>\$ 4,738,571</u>	<u>\$ 496,126</u>	<u>\$ 8,554,815</u>	<u>\$ 546,348</u>	<u>\$ 3,442,876</u>	<u>\$ 1,980,674</u>	<u>\$ 2,542,983</u>	<u>\$ 1,063,464</u>	<u>\$ 646,749</u>	<u>\$ 25,089,632</u>
	4.3%	18.9%	2.0%	34.1%	2.2%	13.7%	7.9%	10.1%	4.2%	2.6%	100.0%

The Notes to Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2019

	Program								Supporting		Total 2019
	Energy	Food & Nutrition	Senior Programs	Community Development	Economic Development	Housing	Early Childhood Education	Transportation	Administration	Fundraising	
Program Expenses:											
Salaries	\$ 356,617	\$ 643,366	\$ 297,047	\$ 323,588	\$ 213,952	\$ 646,142	\$ 1,177,463	\$ 385,564	\$ 530,392	\$ 133,260	\$ 4,707,391
Bad debt	-	-	-	-	-	30,179	-	-	-	-	30,179
Client assistance	363,014	-	-	1,687	6,007	585,909	25,428	1,161	6,261	15,539	1,005,006
Closing costs and housing fees	-	-	-	-	-	2,628	-	-	-	-	2,628
Contract services	404,887	25,315	84,032	52,545	-	116,982	201,387	777,738	21,587	146,294	1,830,767
Cost of goods sold	-	-	-	297,336	5,744	-	-	-	-	-	303,080
Depreciation and amortization	16,375	56,500	-	4,719	10,504	286,786	113,792	405,609	12,103	3,564	909,952
Food	-	3,536,328	-	-	-	-	82,132	-	-	-	3,618,460
Fundraising	-	22,101	4,366	92	353	3,928	19	115	-	8,819	39,793
Insurance	10,826	26,352	5,009	11,033	3,293	20,958	22,639	76,572	3,758	773	181,213
Interest	-	10,846	-	11,768	3,280	92,379	42,223	-	18,109	-	178,605
Legal and audit	-	542	-	1,638	792	2,555	-	347	44,380	-	50,254
Loans forgiven	-	-	-	52,319	-	-	-	-	-	-	52,319
Office costs	10,067	20,411	16,945	33,890	6,165	39,329	25,837	30,809	58,729	10,448	252,630
Other	1,927	9,109	1,528	1,736	2,808	6,161	4,496	22,393	8,038	2,054	60,250
Outreach and marketing	1,855	10,100	837	3,875	6,324	5,525	3,361	62,805	4,280	44,888	143,850
Payroll taxes and benefits	83,271	144,620	62,925	80,552	51,965	157,240	295,164	86,589	115,138	32,185	1,109,649
Repairs and maintenance	607	11,934	-	5,986	863	349,191	19,638	244,665	34,477	-	667,361
Space and occupancy costs	28,360	99,457	20,538	43,396	29,385	325,461	130,093	31,399	100,732	16,200	825,021
Subgrants	-	-	-	9,087	-	-	-	-	-	-	9,087
Supplies	19,187	55,507	17,621	16,611	13,582	35,154	34,928	11,764	65,467	42,443	312,264
Trainee wages and benefits	-	-	-	-	30,079	-	-	-	-	-	30,079
Training	3,899	6,229	12,543	16,800	2,797	17,900	28,852	7,593	15,383	75	112,071
Travel and transportation	25,978	14,677	3,434	8,610	10,616	13,991	12,555	198,807	2,534	9,855	301,057
Total expenses	<u>\$ 1,326,870</u>	<u>\$ 4,693,394</u>	<u>\$ 526,825</u>	<u>\$ 977,268</u>	<u>\$ 398,509</u>	<u>\$ 2,738,398</u>	<u>\$ 2,220,007</u>	<u>\$ 2,343,930</u>	<u>\$ 1,041,368</u>	<u>\$ 466,397</u>	<u>\$ 16,732,966</u>
	7.9%	28.0%	3.1%	5.8%	2.4%	16.4%	13.3%	14.0%	6.2%	2.8%	100.00%

The Notes to Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grantors	\$ 7,371,713	\$ 7,253,183
Cash received from contracts	421,141	1,443,368
Cash received from rentals	1,850,221	1,398,744
Cash received from City/County/Local Government	2,031,227	2,384,583
Cash received from sale of housing units	7,210,423	344,400
Cash received from contributions	4,248,128	4,657,186
Cash received from interest and dividends	40,315	116,673
Cash received from other activities	342,476	186,707
Cash paid to employees	(6,478,681)	(5,812,675)
Cash paid to suppliers	(5,706,887)	(5,615,048)
Cash paid for direct assistance to clients	(1,164,510)	(1,005,006)
Cash paid for other operational expenses	753,792	(52,279)
Cash paid for fundraising activities	(48,092)	(39,793)
Interest paid	<u>(348,680)</u>	<u>(158,538)</u>
Net cash flows from operating activities	<u>10,522,586</u>	<u>5,101,505</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(3,087,495)	(10,687,655)
Investment purchases	(31,742)	(210,000)
Proceeds from sales of investments	155,673	-
Principal loan receivable payments received	259,441	1,141,734
Principal loan receivable advances	<u>(582,298)</u>	<u>(112,600)</u>
Net cash flows from investing activities	<u>(3,286,421)</u>	<u>(9,868,521)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions to endowment	9,209	100,372
Proceeds from long-term debt	-	5,534,893
Proceeds from payroll protection program (PPP) loan	407,000	-
Cash paid on notes payable	(5,875,599)	(1,485,869)
Investment in partnership	<u>-</u>	<u>312,083</u>
Net cash flows from financing activities	<u>(5,459,390)</u>	<u>4,461,479</u>
Net change in cash and cash equivalents	1,776,775	(305,537)
Cash and cash equivalents, beginning of year	<u>2,974,785</u>	<u>3,280,322</u>
Cash and cash equivalents, end of year	<u>\$ 4,751,560</u>	<u>\$ 2,974,785</u>
Reconciliation to Consolidated Statements of Financial Position		
Cash and cash equivalents	\$ 2,853,933	\$ 2,422,500
Escrow and building reserve	<u>1,897,627</u>	<u>552,285</u>
	<u>\$ 4,751,560</u>	<u>\$ 2,974,785</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 5,214,851	\$ 4,778,814
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	994,635	909,952
Bad debt, allowances, and loans forgiven	26,737	7,539
Contributions to Endowment	(9,209)	(100,372)
Unrealized loss (gain) on investments	1,347	(197)
Gain on sale of property and equipment and homes	(56,249)	(366,401)
Proceeds from sale of housing units and condominiums	7,210,423	344,400
Change in operating assets and liabilities:		
Inventory	(32,141)	(331,065)
Grants receivable	(1,124,197)	(114,945)
Accounts receivable	(434,710)	348,541
Pledges receivable	(2,311,601)	(585,720)
Prepaid expenses	(143,178)	22,920
Accounts payable	856,113	70,203
Accrued liabilities	43,719	30,042
Vacation payable	88,968	4,402
Accrued interest payable	(3,462)	20,067
Rent deposits	157,851	81,044
Unearned revenue	42,689	(17,719)
Net cash flows from operating activities	<u>\$ 10,522,586</u>	<u>\$ 5,101,505</u>
 SUPPLEMENTAL SCHEDULE OF NON-CASH OPERATING ACTIVITIES		
Contributions of food	<u>\$ 2,920,791</u>	<u>\$ 3,164,087</u>
 SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING ACTIVITIES		
Fixed assets and inventory purchased or constructed with debt	<u>\$ 13,770,507</u>	<u>\$ 1,900,797</u>
Fixed assets acquired through Miles Limited Partnership	<u>\$ -</u>	<u>\$ 1,850,061</u>
 SUPPLEMENTAL SCHEDULE OF NON-CASH FINANCING ACTIVITIES		
Debt acquired through Miles Limited Partnership	<u>\$ -</u>	<u>\$ 1,900,797</u>
 SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid (includes capitalized interest)	<u>\$ 915,798</u>	<u>\$ 683,666</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the assets, liabilities, net assets, and financial activities of Human Resource Development Council of District IX, Inc. and its wholly owned subsidiaries, the Home Corporation, The Miles Building, Inc., Summit Apartments, Inc., Sherwood Inn Apartments, Inc., Darlinton Apartments, Inc., Big Sky Villas Rural Partners, LLC, and Miles Limited Partnership. All significant inter-company transactions and balances have been eliminated. Subsidiary elimination worksheets are included as supplementary schedules on pages 57 to 61.

Organization

Human Resource Development Council of District IX, Inc. (HRDC) is a private not-for-profit corporation under Internal Revenue Code Section 501(c)(3). HRDC is located in Bozeman, Montana. HRDC is a non-profit community action agency, dedicated to strengthening community and advancing the quality of people's lives. HRDC works to achieve this by developing the resources (talent and capital) to help people of all ages and situations confront and overcome obstacles so that they can improve their lives. HRDC focuses on seven strategic challenges and operates multiple programs to address these pressing human needs. HRDC serves the community in these seven areas: Food and Nutrition, Housing and Homelessness, Child and Youth Development, Senior Empowerment, Community Transportation, Home Heating, Efficiency, and Safety, and Community (Economic) Development. Through HRDC programs, sustainable results are fostered through practical, comprehensive approaches to social and economic challenges.

Services are delivered statewide with an emphasis in Gallatin, Park, and Meagher Counties. The Board of Directors is composed of individuals from the private sector, public sector, and representatives of the low-income sector.

Colorado Apartments, West Edge Condominiums, Cottages at Menicucci Square, and Boulevard Apartments are HRDC owned properties which are accounted for separately from HRDC's programs. Financial data has been reported accordingly in the supplementary consolidating schedules on pages 57 to 61.

The Home Corporation is a private not-for-profit title holding company under Internal Revenue Code Section 501(c)(2). The Home Corporation was formed as a single asset entity in order to facilitate financing with the Montana Board of Housing (MBOH) for the West Babcock Apartment Affordable Housing project.

The Miles Building, Inc. is defined as a 501(c)(3) Supporting Organization under the Internal Revenue Code. The Miles Building, Inc. was formed as a single asset entity to facilitate financing with the Montana Board of Housing and U.S. Department of Housing and Urban Development for the purchase of the Miles Building Apartments in Livingston, Montana in May, 1999.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

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

Organization (Continued)

The Miles Building was purchased to preserve 40 units of existing low-income housing stock in the Livingston community. In December, 2001, the Miles Building, Inc. transferred all of its assets and liabilities to the Miles Limited Partnership in order to facilitate the sale of low income housing tax credits. The Miles Building, Inc. serves as the non-profit managing general partner of the Miles Limited Partnership. The Miles Building, Inc. owns 0.01 percent of the Miles Limited Partnership. During the year ended June 30, 2019, Miles 2017, LLC (a new subsidiary) was created and purchased the remaining .99 percent of the Miles Limited Partnership.

The Darlinton Apartments, Inc. is defined as a 501(c)(3) Supporting Organization under the Internal Revenue Code. The Darlinton Apartments, Inc. was formed to participate in a statewide initiative to preserve low-income housing in Montana. The Darlinton Apartments, Inc. is the Non-Profit General Partner in a Limited Partnership which owns the 100-unit Darlinton Apartments in Bozeman, Montana.

The Sherwood Inn Apartments, Inc. is defined as a 501(c)(3) Supporting Organization under the Internal Revenue Code. The HRDC formed the Sherwood Inn Apartments, Inc. a wholly owned subsidiary to act as a single asset entity to hold and operate the 49-unit low income Apartment Complex. In May, 2001, the HRDC signed a memorandum of understanding and a 24 month option for the purchase of the Sherwood Inn Apartments in Livingston, Montana. The purchase was completed on February 1, 2004 for a purchase price of \$1,375,000. The Sherwood Inn Apartments, Inc. purchase financing included the following: the seller's donation of \$209,922; a private mortgage for \$475,139; a Home Investment Partnership Grant of \$371,000; an existing HUD mortgage on the property (the 1st HUD mortgage) in the amount of \$444,268 which was assigned by HUD to HRDC for future collection; and another existing HUD mortgage on the property (the 2nd HUD mortgage) in the amount of \$127,023 which was forgiven by HUD. Neither HUD mortgage loan remained FHA insured; therefore the HUD loan regulatory agreements were not assumed by the purchaser.

The Summit Apartments, Inc. is defined as a 501(c)(3) Supporting Organization under the Internal Revenue Code. Summit Apartments, Inc. was formed to facilitate the transfer of physical assets of the Summit Place Apartments in Livingston, Montana, through the U.S. Department of Housing and Urban Development. The transfer of physical assets of the seven-unit low-income apartment complex was completed in September, 2006 through the assumption of the HUD deferred mortgage on the property in the amount of \$438,100 and related regulatory and use agreements until the maturity date of the note in January, 2037.

Big Sky Villas Rural Partners, LLC (a limited liability company) was formed to purchase and rehabilitate the Big Sky Villas Apartments in Belgrade, Montana. The Big Sky Villas Apartment Complex was purchased to preserve 24 units of existing low-income housing stock in the Belgrade community. Big Sky Villas Rural Partners, LLC serves as the managing general partner of West Jefferson Partners, LLP and owns 0.01 percent of West Jefferson Partners, LLP.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

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

Basis of Accounting

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

New Accounting Pronouncements

On July 1, 2019, HRDC adopted the following Accounting Standards Updates (ASUs):

- ASU No. 2014-09, *Revenue from Contracts with Customers including the subsequent revisions (collectively referred to as Topic 606)*. This accounting standard was issued to clarify the principles of recognizing revenue and to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standards (IFRS). The Council adopted Topic 606 using the modified retrospective method. Implementation of the standard did not have a material effect on HRDC's methodology for the recognition of revenue, nor required any adjustment of activity reported in a prior period.
- ASU 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update provides guidance on (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The ASU has been applied retrospectively to all periods presented. Implementation of the standard has changed the way HRDC accounts for Federal grants received. HRDC previously accounted for Federal awards as exchange (reciprocal) transactions and revenue was recognized as reimbursable expenses were incurred. HRDC now accounts for Federal grants as conditional grant contributions. Revenue is recognized as the condition is met, incurring the qualifying expense under Uniform Guidance. Consequently, revenue is recognized at the same point under both accounting policies. Thus, implementation of the standard required no adjustment of activity reported in the prior period.
- ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. The main objective of this accounting standard was to enhance the reporting model for financial instruments and to provide users of the financial statements with more decision-useful information. The standard was implemented on a retrospective basis. Implementation of the standard had no effect on HRDC's existing policies, nor required any adjustment of activity reported in a prior period.
- ASU 2016-18, *Statement of Cash Flows (Topic 230) – Restricted Cash*. The update addresses the classification and presentation of changes in restricted cash on the statement of cash flows. The ASU has been applied retrospectively to all periods presented, which had no effect on the total assets, liabilities or net assets previously stated.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

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

New Accounting Pronouncements (Continued)

- ASU 2018-03, *Technical Corrections and Improvements to Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. This update provides clarify for certain aspects for ASU 2016-01. The standard was implemented on a retrospective basis. Implementation of the standard had no effect on HRDC's existing policies, nor required any adjustment of activity reported in a prior period.
- ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The objective of the update is to reduce the diversity in practice over certain cash flow issues. HRDC adopted this update using a retrospective transition method to each period presented. Accordingly, the information is presented as if the accounting policy had been adopted in the prior year. HRDC has elected to report distributions received from equity method investees using the cumulative earnings approach where distributions received are considered returns on investment and classified as cash inflows from operating activities.
- ASU 2018-13, *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The main objective of the update is to improve the effectiveness of disclosures in the notes to the financial statements. HRDC adopted the ASU on a retrospective basis to all periods presented, which had no effect on the total assets, liabilities or net assets previously presented.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

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

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

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

Cash and Cash Equivalents (Continued)

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

At June 30, 2020 and 2019, HRDC has no uninsured balances. All other accounts are either fully insured by the Federal Deposit Insurance Corporation or collateralized. Although management has expressed no intention to do so, HRDC may terminate the Agreement at any time.

Certificates of Deposit

HRDC had one certificate of deposit (CD) at June 30, 2019. The CD term was six months maturing in July 2019, with an interest rate of 0.60%. The CD is stated at the principal balance.

Investments and Investment Income

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the consolidated statement of financial position with the unrealized gains (losses) in the consolidated statement of activities. Gains and losses on investments and other assets are reported as unrestricted net assets unless their use is restricted by explicit donor stipulation.

Promises to Give and Other Receivables

Unconditional promises to give (pledges receivable) are recognized at fair value in the period received. Unconditional promises to give that will be collected beyond one year are reported at the present value of the anticipated cash flows. HRDC has elected under GAAP to subsequently report pledges receivable at fair value by evaluating and adjusting the initial discount rate. Management elected the fair value method to improve valuation of pledges received in current and previous years. HRDC has discounted the pledge receivable based on the present value discount for a multi-year pledge. In subsequent years, amortization of the discounts is included in contributions in the statement of activities. Management has determined that an allowance for uncollectible amounts to be \$-0- at June 30, 2020 and 2019.

Conditional promises to give are recognized when the conditions on which they depend are substantially met. At June 30, 2020 and 2019, there were no conditional promises to give.

HRDC has an additional \$3,512,858 and \$2,383,481 in unearned grant commitments as of June 30, 2020 and 2019, respectively.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

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

Inventories

Inventories include 14 manufactured housing units at June 30, 2020 and 2019. HRDC purchased 75 manufactured housing units in July and September 2016 and had sold 43 of these units and transferred 18 of these units to property and equipment to be used for the Cottages at Menicucci Square during the year ended June 30, 2019. These housing units are planned as affordable housing units to be placed in a variety of developments in HRDC's service area communities in Gallatin and Park Counties. The total cost of the 14 unsold manufactured housing units is \$494,323 and \$486,282 at June 30, 2020 and 2019, respectively.

Inventories include 3 unsold condominium units which are carried at the lower of cost or net realizable value amounting to \$323,076 for the years ended June 30, 2020 and 2019. HRDC purchased 23 units and constructed 60 units of an affordable housing development, West Edge Condominiums, during fiscal years 2010-2014 under the Neighborhood Stabilization Program (NSP). Through June 30, 2020 and 2019, HRDC had cumulatively sold 80 of the 83, condominium units, at an average sale price of \$115,000 and cost basis of \$138,000. The remaining three units will be sold upon the current occupants' decision to vacate the property under the terms of the original lease agreements assumed at the time of acquisition in 2010.

During the year ended June 30, 2019, 2 humble homes were constructed, for which 1 unit was sold during the year. The remaining humble home carried at the lower of cost or net realizable value amounting to \$137,869 was sold during the year ended June 30, 2020.

Inventories include a condo that was purchased during the year ended June 30, 2019. The condo is carried at the lower of cost or net realizable value amounting to \$264,664. The condo was sold during the year ending June 30, 2020.

During the year ended June 30, 2020, 12 affordable townhomes were completed, for which 9 units were sold during the year. The remaining affordable townhomes are carried at the lower of cost or net realizable value amounting to \$941,330.

Supplies and food bank inventories contain repair parts used in the weatherization program (\$1,214 and \$4,113 on June 30, 2020 and 2019, respectively) and the food inventory at the Gallatin Valley Food Bank, Big Sky Community Food Bank and Headwaters Area Food Bank (\$320,613 and \$285,573 on June 30, 2020 and 2019, respectively).

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

Property and Equipment

HRDC capitalizes equipment with a purchase price of at least \$5,000 or lower amount if required by grantors, and an expected life of at least three years. Property and equipment are carried at cost. Depreciation is allocated between program support and supporting services.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

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

Property and Equipment (Continued)

Depreciation is computed on a straight-line basis over the following estimated useful lives:

Furniture and Equipment	3 to 10 years
Vehicles	7 to 10 years
Land Improvements	20 years
Building and Improvements	20 to 30 years
Software	3 years

Depreciation expense for the years ended June 30, 2020 and 2019 was \$994,635 and \$909,952, respectively.

Vacation/Paid Time Off and Sick Leave

HRDC charges the individual programs for vacation and paid time off (PTO) leave earned by employees. These monies are deposited in the Vacation Leave Fund. When an employee uses vacation benefits, the vacation time is charged against this fund. As of June 30, 2020 and 2019, the Vacation Leave/PTO Fund had a liability balance of \$251,953 and \$162,157, respectively.

HRDC pays terminating employees one quarter of the value of their unused sick leave. On June 30, 2020 and 2019, the liability for one quarter unused sick leave was \$19,170 and \$19,998 including related payroll taxes. The other three quarters of sick leave expenses are recorded when paid.

Classification of Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets, as follows:

Net assets without donor restrictions consist of investments and amounts that are available for use in carrying out the mission of HRDC, and include those expendable resources that have been designated by the Board of Directors for special use by the HRDC.

Net assets with donor restrictions represent those amounts that are subject to donor or certain grantor imposed stipulations. Some donor or grantor restrictions are temporary in nature such as those that will be met by passage of time or other events specified by the donor or grantor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

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

Classification of Net Assets (Continued)

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

	<u>2020</u>	<u>2019</u>
Bridger View Redevelopment - land	\$ 1,600,000	\$ 1,600,000
Griffin Site Development	1,411,626	597,920
Galavan Transportation operations	1,057,568	1,043,780
Big Sky Community Food Bank	250,848	256,074
Road to Home homeownership center	213,087	187,635
Bridger View Redevelopment	-	341,952
Healthy Kids Pack Food program	63,871	53,871
LISC Citi Bridges	45,716	-
Title 3 Home Care	37,431	27,039
Partnership for Permanent Supportive Housing	32,662	45,052
Sunset Park Hope Relocation	21,920	-
Fork and Spoon	10,568	7,213
School Food Pantry	5,045	5,044
National Council on Aging: SNAP	2,636	14,198
Big Sky Community Land Trust	-	183,539
Livingston Warming Center	-	11,000
GVFB Story Mill Learning Garden	-	8,000
Total purpose or time restricted	<u>\$ 4,752,978</u>	<u>\$ 4,382,317</u>

A summary of net assets perpetual in nature at June 30 is as follows:

	<u>2020</u>	<u>2019</u>
Warming Center	\$ 76,302	\$ 76,302
Gallatin Valley Food Bank	76,301	76,301
Greatest Needs of HRDC	11,209	2,000
Total perpetually restricted (endowment)	<u>\$ 163,812</u>	<u>\$ 154,603</u>

Contributed Support

HRDC recognizes all unconditional gifts and promises to give in the period notified. Contributed support is reported as net assets with or without donor restrictions depending upon the existence of donor stipulations. Purpose or time restricted contributions whose restrictions have been fulfilled in the current year are reported as net assets without donor restriction.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

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

Revenue Recognition

Contract revenues are recognized as performance obligations are met on the contract based on input and output methods, dependent on the individual contract. This may include the delivery of goods or services, as costs are incurred to deliver services, or upon completion of events. Contract revenue included in the financial statements at June 30, 2020 and 2019 are recognized monthly over the contract period. This revenue includes property management income and public transportation contracted services.

Contributed service revenue results when donated services create or enhance non-financial assets or when they require specialized skills provided by people possessing those skills that would typically be purchased if not provided by donation. Contributed goods are valued at their estimated fair value at the date of contribution. Professional services donated to HRDC that are included in the consolidated financial statements as of June 30, 2020 and 2019 total \$105,972 and \$121,492, respectively.

Additional non-cash donations of clothing, volunteer time, and miscellaneous items have also been contributed to HRDC that have not been included in these consolidated financial statements because they do not meet the requirements for recognition or are considered immaterial for inclusion in the financial statements.

Advertising

HRDC expenses advertising costs as incurred. Total advertising and outreach costs were \$105,972 and \$143,870 for the years ended June 30, 2020 and 2019, respectively.

Income Taxes

HRDC is exempt from income taxes under §501(c)(3) of the Internal Revenue Code. Accordingly, the increase in net assets is generally not subject to taxation. No provision for income tax has been recorded in these financial statements because the HRDC believes it had no income unrelated to its tax- exempt purpose in 2020 or 2019.

Reclassifications

Certain reclassifications have been made to the June 30, 2019 financial statements to conform to the June 30, 2020 presentation. Such reclassifications had no effect on previously reported amounts.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

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

Description of the HRDCs' Program Activities and Expense Classification

Separate accounts are maintained for each fund; however, in the accompanying consolidated financial statements, funds that have similar characteristics have been combined into activity groups. The primary activity groups and their related purposes are summarized as follows:

Energy Activities

HRDC's Energy Initiative combines emergency assistance, heat bill supplements, and home energy savings measures to offset heating costs for limited income households.

Food & Nutrition Activities

HRDC's Nutrition Initiatives work to improve food security across the Gallatin Valley. Through the Gallatin Valley, Headwaters Area, and Big Sky Community Food Banks, emergency food assistance is provided in the form of emergency food boxes. Additionally, the Fork & Spoon Homestyle Kitchen provides a 'pay what you can' model for evening dinner service six nights a week, the KidsPack Program provides supplemental weekend food to children experiencing hunger, the Summer Lunch Program provides free lunchtime meals to children during the summer months, and the Senior Grocery Program provides supplemental food to low income seniors.

Senior Programs Activities

HRDC's Senior Empowerment Initiative addresses quality of life and independence in the home for many area seniors. With door to door transportation to medical and other appointments, meaningful volunteer opportunities, supplemental food, and in-home health care, HRDC works to provide each and every senior with wrap-around services that enable them to maintain independence and be engaged with the community.

Community Development Activities

HRDC's Community Development Initiative provides innovative and creative solutions to identified community needs. The goal is to build and sustain healthy communities through the construction of housing and community facilities and the development of community programs that educate and support families and individuals.

Economic Development Activities

HRDC's Economic Development Initiatives work to provide free tax filing assistance, job readiness training and placement for the area's at risk youth populations.

Housing Activities

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

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

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

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

Early Childhood Education Activities

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

Transportation Activities

HRDC's Public Transportation Initiative, Streamline, provides fare free public transit serving the communities of Belgrade, Bozeman, and Livingston. HRDC's Para Transit Initiative, Galavan, serves the senior and disabled residents with door to door transportation to medical and other appointments.

Administrative Activities

Consists of funds that are used for administering HRDC.

Fundraising Activities

These activities provide low-cost supplies and services for special events and activities designed to create public awareness and support for community based activities operated by HRDC.

Cost Allocation

HRDC allocates costs that can be identified specifically with a particular final cost objective directly to the individual program benefiting. Joint costs are allocated directly to individual programs using a base most appropriate to the particular cost being prorated. HRDC utilizes following bases for allocated costs:

- | | |
|---|-------------------------------------|
| • Occupancy costs | square footage* |
| • Telephone | number of telephones* |
| • Copies, print, postage | actual usage |
| • Agency wide audit, fiscal office | number of accounting transactions** |
| • Common supplies, general liability insurance, human resources office, receptionist, executive, computer network | number of FTEs** |

* For staffing in multiple HRDC programs, costs are further allocated in a second tier based on hours work by program.

** Time which is easily and specifically identifiable to a particular program may be alternatively charged as a Specific Direct Cost via a Time Sheet. In no case is a cost charged both as a specific direct cost and as an allocated cost.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 2. LIQUIDITY AND AVAILABILITY

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

The following financial assets are expected to be available to support HRDC in the years ending June 30, 2021 and 2020:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,853,933	\$ 2,422,500
Escrow and building reserve	1,897,627	552,285
Certificates of deposit	-	155,673
Receivables	6,113,443	2,217,832
Prepaid expenses	200,476	57,298
Investments	1,204,145	1,173,750
Inventories	1,586,233	1,015,295
Other asset - housing units	494,323	486,282
Deferred loans receivable, net	2,991,791	2,720,374
Construction in progress	8,833,410	5,952,897
Property and equipment, net	<u>23,259,697</u>	<u>17,977,855</u>
Total assets	<u>49,435,078</u>	<u>34,732,041</u>
Escrow and building reserve	(1,897,627)	(552,285)
Receivables (grantors)	(2,045,186)	(920,989)
Receivables (pledges)	(2,897,321)	(585,720)
Prepaid expenses	(200,476)	(57,298)
Inventories	(1,586,233)	(1,015,295)
Other asset - manufactured homes	(494,323)	(486,282)
Deferred loans receivable, net	(2,991,791)	(2,720,374)
Construction in progress	(8,833,410)	(5,952,897)
Property and equipment, net	<u>(23,259,697)</u>	<u>(17,977,855)</u>
Financial assets	5,229,014	4,463,046
Board designated	(5,542)	(5,542)
Donor restricted net assets*	(3,316,790)	(2,936,920)
Cash committed to HRDC projects	<u>(799,570)</u>	<u>(1,030,576)</u>
Financial assets available within 1 year	<u>\$ 1,107,112</u>	<u>\$ 490,008</u>

*Amount excludes land recorded at \$1,600,000 that is donor restricted and removed from property and equipment, net, above.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 2. LIQUIDITY AND AVAILABILITY (CONTINUED)

As part of HRDC's liquidity management plan, HRDC has a policy to structure its financial assets to be available as general expenditures, liabilities, and/or obligations as they become due.

Escrows and building reserves and grants receivable are excluded from financial assets available for general as they are generally restricted for specific grant purposes. During the course of the year, HRDC has numerous capital projects in process, in which cash committed has been excluded from financial assets. Schedules of unrestricted corporate funds are included on pages 68 and 69 in the supplemental information.

NOTE 3. RECEIVABLES

Grants Receivable represents the balance of grant funds earned but not yet received in cash. Most grants allow monthly draw-downs of cash which provide operating capital for program operation.

Accounts Receivable represent amounts owing to HRDC from program service contracts stated at unpaid balances. Contracts call for a fixed fee for service and are primarily comprised of property management and other service contracts. Delinquent accounts are reviewed on an annual basis, when it is decided whether to write off an account. These amounts are shown net of a provision for bad debts of \$21,435 and \$39,745 as of June 30, 2020 and 2019, respectively.

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

	<u>2020</u>	<u>2019</u>
Receivable in one year or less	\$ 1,447,442	\$ 300,000
Receivable in one to five years	<u>1,559,379</u>	<u>300,000</u>
	3,006,821	600,000
Less discount	<u>(109,500)</u>	<u>(14,280)</u>
Net unconditional promises to give	<u>\$ 2,897,321</u>	<u>\$ 585,720</u>

The rates used for the pledge discounts range from .7835% - .9524%.

Deferred Loans Receivable represents amounts advanced by BSV Rural Partners, LLC to West Jefferson Partners, LLLP for the rehabilitation of the Big Sky Villas Apartments, down payment assistance loans through the HRDC Homeownership Center, and second mortgage loans through the Neighborhood Stabilization Program.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 3. RECEIVABLES (CONTINUED)

Deferred Loans Receivable (Continued)

The following table presents deferred loans receivable from related parties at June 30, 2020 and 2019:

BSV Rural Partners, LLC HOME Loan	\$	832,000
Date of loan		December 14, 2016
Maturity date		December 14, 2046
Interest rate		1.00%
Terms		Loan deferred until available cash flow after all other debts and
Collateral		Secured by revenues of West Jefferson Partners, LLLP

HRDC's Homeownership Center provides financial assistance to first-time homebuyers in the form of a no-interest, deferred payment, equity-share mortgage loan to help the household complete down payment needs or fill the gap between the total purchase price and the maximum loan amount offered by the lender. Repayments of the loans are required upon satisfaction of the primary mortgage loan, refinance, or sale of the home and property. HRDC shares in the equity of the home and the total amount due to HRDC upon repayment conditions is based upon the appraised value of the home.

As of June 30, 2020, HRDC had thirty-one outstanding down payment assistance loans totaling \$506,328, offset by a provision for loan losses of \$105,699. As of June 30, 2019, HRDC had thirty-four outstanding down payment assistance loans totaling \$554,490, offset by a provision for loan losses of \$91,648. As of June 30, 2020 and 2019, HRDC had forty-one and forty-five small housing assistance loans to clients totaling \$22,494 and \$24,523, respectively.

HRDC West Edge Condominiums development provided financial assistance through the Neighborhood Stabilization Program (NSP) to acquire twenty-three condominiums in 2010 and construct sixty additional affordable condominium units through 2014. HRDC sold the condominiums to income-eligible buyers with a maximum of 50% of the mortgage amount being financed through NSP funds in the form of no-interest, deferred payment, second mortgage loans to help fill the gap between the total purchase price and the maximum loan amount offered by the primary lender. Repayment of the second mortgage is required upon the sale of the residence, cash-out refinance, full payment of the first mortgage, or if the condominium is no longer used as the primary residence. Upon repayment, an appreciation share formula is applied in lieu of interest to determine the amount of repayment. As of June 30, 2020, there were forty-one second mortgage loans outstanding in the amount of \$1,282,918, offset by a provision for loan losses of \$77,000. As of June 30, 2019, there were forty-one second mortgage loans outstanding in the amount of \$1,468,009, offset by a provision for loan losses of \$67,000. The provision for loan losses is based on approximately six percent of the amount loaned in the final phase of the program.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 3. RECEIVABLES (CONTINUED)

Deferred Loans Receivable (Continued)

HRDC Willow Springs Townhomes development in Bozeman is an initiative to increase homeownership among low to moderate income households. When completed, the development project will consist of 24 townhome units. Land and infrastructure for the Willow Springs townhomes was partially funded with program revenue from a previous federal Neighborhood Stabilization (NSP) program grant, to be maintained permanently affordable via a Community Land Trust. Construction of the townhomes is being funded through conventional bank construction loan financing, as well as grant assistance from the City of Bozeman. Funding from NSP and the City of Bozeman requires that eligible buyer households earn no more than 120% of the Area Median Income, have no more than \$70,000 in total family assets, contribute \$1,500 towards the purchase, and complete structured homeownership education. Upon resale of a townhome, the owner's equity share is limited to a maximum of 2% per year of ownership, to maintain permanent affordability of the townhomes for future eligible buyers. As of June 30, 2020, twelve townhome units had been completed and nine townhome sales had been closed. Seven of these townhome buyers received down payment assistance loans from HRDC ranging from \$10,000 to \$15,000 each, with deferred payment terms. Repayment of these loans is deferred until the townhome is sold or refinanced. As of June 30, 2020, there were seven loans outstanding in the total amount of \$75,000.

HRDC Meadowview Condominiums development in Big Sky is an initiative to increase homeownership among low to moderate income households participating in the local Big Sky workforce. When completed, the development project will consist of 52 condominium units. Land and infrastructure for the Big Sky Meadowview condominiums was partially funded through grant assistance from the Big Sky Resort Area District, to be maintained permanently affordable via a Community Land Trust. Construction of the condominiums is being funded through conventional bank construction loan financing. Upon resale of a condominium, the owner's equity share is limited, to maintain permanent affordability of the condominiums for future eligible buyers in Big Sky. As of June 30, 2020, eighteen condominium units had been completed and sold to eligible homebuyers participating in the local Big Sky workforce. Ten of these condominium buyers received down payment assistance loans from HRDC ranging from \$30,000 to \$55,000 each, with deferred payment terms. Repayment of these loans is deferred until the condominium is sold or refinanced. As of June 30, 2020, there were ten loans outstanding in the total amount of \$455,750.

Due to inherent uncertainties in the estimate of a provision for loan losses, it is reasonably possible this estimate could change in the near term.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 3. RECEIVABLES (CONTINUED)

Deferred Loans Receivable (Continued)

A summary of loans receivable and their related allowances at June 30, 2020 and 2019, is as follows:

	Loan Receivable 2020	Allowance for Doubtful Accounts 2020	Loan Receivable 2019	Allowance for Doubtful Accounts 2019
Affordable Housing				
Road to Home down-payment assistance	\$ 506,328	\$ 105,699	\$ 554,490	\$ 91,648
West Edge condo loans	1,282,918	77,000	1,468,009	67,000
Rental housing assistance loans	22,494	-	24,523	-
Big Sky Meadowview condo loans	455,750	-	-	-
Willow Spring condo loans	75,000	-	-	-
Intercompany Loans				
Sherwood Inn Apartments	442,801	-	483,160	-
West Babcock Apartments	167,138	-	172,391	-
Miles LP	815,649	-	821,118	-
Related Party Commercial				
West Jefferson Partners, LLLP	832,000	-	832,000	-
Total	4,600,078	<u>\$ 182,699</u>	4,355,691	<u>\$ 158,648</u>
Intercompany elimination	(1,425,588)		(1,476,669)	
Less: allowance	(182,699)		(158,648)	
Deferred loans receivable, net	<u>\$ 2,991,791</u>		<u>\$ 2,720,374</u>	

An analysis of credit exposure by internally assigned grade at June 30, 2020 and 2019, is as follows:

	Residential		Related Party Commercial	
	2020	2019	2020	2019
Pass - performing loans	\$ 2,342,490	\$ 2,047,022	\$ 832,000	\$ 832,000
Pass with collateral deficiencies	-	-	-	-
Non-performing, collateralized	-	-	-	-
Non-performing, collateral deficiencies	-	-	-	-
Total	<u>\$ 2,342,490</u>	<u>\$ 2,047,022</u>	<u>\$ 832,000</u>	<u>\$ 832,000</u>

An analysis of past due financing receivables as of June 30, 2020 and 2019, is as follows:

	Residential		Related Party Commercial	
	2020	2019	2020	2019
30 - 59 days past due	\$ -	\$ -	\$ -	\$ -
60 - 89 days past due	-	-	-	-
Greater than 90 days past due	-	-	-	-
Total past due	-	-	-	-
Current financing receivables	2,342,490	2,047,022	832,000	832,000
Total financing receivables	<u>\$ 2,342,490</u>	<u>\$ 2,047,022</u>	<u>\$ 832,000</u>	<u>\$ 832,000</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 3. RECEIVABLES (CONTINUED)

HRDC recognizes interest income on loans receivable on the accrual basis. Loan fees and costs are recognized as income in the period the fees or costs are earned. Loans receivable accrue interest under the applicable loan document terms until the loan is deemed uncollectible. Loans are considered delinquent after 30 days of non-payment from the original due date or deferred due date. Loans are considered impaired when collection of the full amount of the loan is unlikely based on various factors discussed below.

HRDC uses multiple bases to estimate the allowance for credit losses including historical losses of the loan program, existing economic conditions related to the industry in which the loan recipient operates, collateral of the loan recipient, loan payment history and actual or likely events which have occurred or will occur. The risk characteristics of the individual loan programs are similar in nature. HRDC operates loan programs for recipients who cannot generally obtain conventional financing under the requirements and restrictions placed on them by federal and state loan funding sources. Therefore, due to the nature of the loan programs operated, HRDC's loan portfolio is generally of inherently higher risk than typical conventional financing loans; however the loans are collateralized by the property.

HRDC's loans receivable are considered deferred loans, therefore no loans are considered past due as of June 30, 2020 and 2019, and all amounts are considered current under the terms of the loans. Impaired loans are valued at the estimated value of the remaining recoverable assets after consideration of collateral and guarantees. An allowance for bad debt is recorded against these impaired loans for the difference between the balance of the loan and estimated recovery value. As of June 30, 2020 and 2019, HRDC did not have any impaired loans.

NOTE 4. INVESTMENTS

Investments carried at fair value, as of June 30, 2020, are as follows:

	2020		
	Amortized Cost	Fair Value	Net Unrealized Gain (Loss)
Cash held for investment	\$ 20,318	\$ 20,318	\$ -
Equity securities:			
Mutual funds	700,738	747,145	46,407
Exchange traded funds	<u>440,782</u>	<u>436,682</u>	<u>(4,100)</u>
Total investments	<u>\$ 1,161,838</u>	<u>\$ 1,204,145</u>	<u>\$ 42,307</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 4. INVESTMENTS (CONTINUED)

Investments carried at fair value, as of June 30, 2019, are as follows:

	2019		
	Amortized Cost	Fair Value	Net Unrealized Gain
Cash held for investment	\$ 9,483	\$ 9,483	\$ -
Certificates of deposit	155,673	155,673	-
Mutual funds	<u>1,122,562</u>	<u>1,164,267</u>	<u>41,705</u>
Total investments	<u>\$ 1,287,718</u>	<u>\$ 1,329,423</u>	<u>\$ 41,705</u>

The following summarizes investment return and its classifications on the statement of activities:

	<u>2020</u>	<u>2019</u>
Interest, dividends and capital gains (losses)	\$ (1,588)	\$ 30,206
Loan and other interest income	60,388	97,900
Realized losses	(7,479)	(1,382)
Unrealized (losses) gains	<u>(1,347)</u>	<u>197</u>
Net realized/unrealized loss on investments	<u>(8,826)</u>	<u>(1,185)</u>
Investment fees	<u>(11,006)</u>	<u>(10,051)</u>
Total investment income	<u>\$ 38,968</u>	<u>\$ 116,870</u>

A significant portion of HRDC's investments are subject to the risk of value fluctuation that is inherent in the market. As such, the value of HRDC's assets may change frequently. To help manage this risk, HRDC utilizes professional investment management firms to oversee the HRDC portfolio and monitor its performance. Total investment fees paid to the investment managers were \$11,006 and \$10,051 for the years ended June 30, 2020 and 2019, respectively.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 5. FAIR VALUE MEASUREMENTS

The Organization has determined the fair value of its investments through the application of accounting standards for *Fair Value Measurements*. This standard establishes a fair value hierarchy, which prioritizes the valuation into three broad levels:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2020 and 2019.

Cash Held for Investment: valued at the balance held in this account.

Certificates of Deposit: valued at the closing price reported in the active market in which the instrument is traded.

Equity Securities: valued at the closing price reported on the active market on which the individual securities are traded.

Pledges Receivable: valued at fair value based on the net present value of expected future cash flows discount rate for a multi-year pledge.

Charitable Gift Annuities: valued at fair value based on the present value of the future payments over the beneficiaries' estimated remaining lives using the original discount rates at the date of the gift and applicable mortality tables.

Investment assets are classified in their entirety based upon the lowest level of input that is significant at the fair value measurement.

The following tables present by level, within the fair value hierarchy, HRDCs' investment assets at fair value, as of June 30, 2020.

	June 30, 2020				
	Fair Value	Level 1	Level 2	Level 3	Total
Cash held for investment	\$ 20,318	\$ 20,318	\$ -	\$ -	\$ 20,318
Equity securities:					
Mutual funds	747,145	747,145	-	-	747,145
Exchange traded funds	436,682	436,682	-	-	436,682
Total investments at fair value	1,204,145	1,204,145	-	-	1,204,145
Pledges receivable	2,897,321	-	-	2,897,321	2,897,321
Total assets at fair value	<u>\$ 4,101,466</u>	<u>\$ 1,204,145</u>	<u>\$ -</u>	<u>\$ 2,897,321</u>	<u>\$ 4,101,466</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 5. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, HRDC's liabilities measure at fair value on a reoccurring basis as of June 30, 2020:

	Fair Value	Level 1	Level 2	Level 3	Total
Charitable gift annuity obligations	\$ <u>12,176</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>12,176</u>	\$ <u>12,176</u>

The following tables present by level, within the fair value hierarchy, HRDCs' investment assets at fair value, as of June 30, 2019.

	June 30, 2019				
	Fair Value	Level 1	Level 2	Level 3	Total
Cash held for investment	\$ 9,483	\$ 9,483	\$ -	\$ -	\$ 9,483
Certificates of deposit	155,673	155,673	-	-	155,673
Equity securities:					
Mutual funds	<u>1,164,267</u>	<u>1,164,267</u>	<u>-</u>	<u>-</u>	<u>1,164,267</u>
Total investments at fair value	1,329,423	1,329,423	-	-	1,329,423
Pledges receivable	<u>585,720</u>	<u>-</u>	<u>-</u>	<u>585,720</u>	<u>585,720</u>
Total assets at fair value	<u>\$ 1,915,143</u>	<u>\$ 1,329,423</u>	<u>\$ -</u>	<u>\$ 585,720</u>	<u>\$ 1,915,143</u>

The following table sets forth by level, within the fair value hierarchy, HRDC's liabilities measure at fair value on a reoccurring basis as of June 30, 2019:

	Fair Value	Level 1	Level 2	Level 3	Total
Charitable gift annuity obligations	\$ <u>11,204</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>11,204</u>	\$ <u>11,204</u>

Changes in level 3 assets and liabilities for the years ended June 30, 2020 and 2019, are as follows:

	Pledges receivable	Charitable gift annuities
Balance, July 1, 2018	\$ -	\$ 3,882
Additions	900,000	7,322
Payments	(300,000)	-
Changes in discount	<u>(14,280)</u>	<u>-</u>
Balance, June 30, 2019	585,720	11,204
Additions	2,728,050	972
Payments	(321,230)	-
Changes in discount	<u>(95,219)</u>	<u>-</u>
Balance, June 30, 2020	<u>\$ 2,897,321</u>	<u>\$ 12,176</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 6. PROPERTY AND EQUIPMENT

Equipment purchased with grant funds is subject to rights of rescission of the grantors. Equipment purchased with grant monies is limited to use by the grant program that purchases the equipment. Should the program terminate, grantors may invoke claim to that equipment purchased through the grant agreement terms.

Property and equipment consisted of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 777,332	\$ 777,332
Vehicles	4,789,454	4,789,454
Land and improvements	11,248,596	8,717,952
Buildings	17,527,638	13,781,808
Less accumulated depreciation	<u>(11,083,323)</u>	<u>(10,088,691)</u>
Total land, buildings, equipment and vehicles	<u>23,259,697</u>	<u>17,977,855</u>
Software	139,440	139,440
Less accumulated depreciation	<u>(139,440)</u>	<u>(139,440)</u>
Total software	-	-
Construction in progress	<u>8,833,410</u>	<u>5,952,897</u>
Total property and equipment	<u><u>\$ 32,093,107</u></u>	<u><u>\$ 23,930,752</u></u>

Presented on the statement of financial position as:

Construction in progress	\$ 7,524,701	\$ 4,875,658
Construction in progress, federal constraints	1,308,709	1,077,239
Property and equipment, net, federal constraints	8,929,031	9,644,261
Property and equipment, net	<u>14,330,666</u>	<u>8,333,594</u>
Total	<u><u>\$ 32,093,107</u></u>	<u><u>\$ 23,930,752</u></u>

NOTE 7. UNEARNED REVENUE

Unearned revenue consists of cash received from grantors that was not earned as of June 30, 2020 and 2019. The activity in the unearned revenue account is as follows:

	<u>2020</u>	<u>2019</u>
Unearned revenue, beginning of year	\$ 2,830,925	\$ 1,324,837
Grant awards received	6,660,397	7,708,799
Grant expenditures	<u>(6,440,597)</u>	<u>(6,202,711)</u>
Gross unearned revenue, end of year	3,050,725	2,830,925
Less amount not received in cash	<u>(3,003,008)</u>	<u>(2,825,897)</u>
Net unearned revenue	<u><u>\$ 47,717</u></u>	<u><u>\$ 5,028</u></u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 8. NOTES PAYABLE

HRDC's notes payable at June 30, 2020 and 2019 are as follows:

		Original Loan Amount	2020 Balance Outstanding	2019 Balance Outstanding
Big Sky Western Bank		\$ 660,578	\$ 361,339	\$ 372,723
Original loan date	November 18, 1996			
Refinanced	April 29, 2010			
Modified	May 30, 2013			
Maturity date	May 5, 2040			
Monthly payment	\$ 2,233			
Interest rate	4.21%			
Terms	Resets every 7 years to 3.00% above the Federal Home Loan Bank Bullet Rate (1.21% at June 30, 2020 and 2019).			
Collateral	First lien on the West Babcock Apartments and guaranteed by HRDC.			
City of Bozeman Community Affordable Housing		\$ 150,000	\$ 32,916	\$ 37,916
Loan date	January 1, 1997			
Maturity date	January 1, 2027			
Monthly payment	\$ 417			
Interest rate	0.00%			
Collateral	Second lien on the West Babcock Apartments.			
U.S. Department of Agriculture - Rural Development		\$ 116,415	\$ 81,744	\$ 84,340
Loan date	October 6, 1999			
Maturity date	October 3, 2039			
Monthly payment	\$ 543			
Interest rate	4.75%			
Collateral	Revenue from the Livingston Child Care Center.			
U.S. Department of Agriculture - Rural Development		\$ 30,000	\$ 21,043	\$ 21,686
Loan date	October 6, 1999			
Maturity date	October 6, 2039			
Monthly payment	\$ 140			
Interest rate	4.75%			
Collateral	Revenue from the Livingston Child Care Center.			
U.S. Department of Agriculture - Rural Development		\$ 450,000	\$ 338,802	\$ 347,618
Loan date	February 1, 2002			
Maturity date	February 1, 2042			
Monthly payment	\$ 2,097			
Interest rate	4.75%			
Collateral	HRDC Central Office building and land.			

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 8. NOTES PAYABLE (CONTINUED)

		Original Loan Amount	2020 Balance Outstanding	2019 Balance Outstanding
First Interstate Bank		\$ 152,800	\$ 58,653	\$ 65,938
Original loan date	December 28, 1999			
Refinanced	June 19, 2003			
Maturity date	May 1, 2028			
Monthly payment	\$ 893			
Interest rate	3.75%			
Terms	Resets every 5 years to .50% above the <i>Wall Street Journal</i> Prime Rate (3.25% and 5.50% at June 30, 2020 and 2019, respectively)			
Collateral	First lien on the Gallatin Valley Food Bank building and land.			
Stockman Bank of Montana		\$ 252,287	\$ 188,365	\$ 198,628
Loan date	April 17, 2013			
Maturity date	May 17, 2033			
Monthly payment	\$ 1,633			
Interest rate	4.80%			
Terms	Resets every 10 years to 4.00% above the 5-year U.S. Treasury Constant Maturity Index (.29% and 1.79% at June 30, 2020 and 2019, respectively)			
Collateral	First lien on the HRDC Annex building			
Big Sky Western Bank		\$ 275,000	\$ 138,081	\$ 144,583
Loan date	May 22, 2014			
Maturity date	May 20, 2034			
Monthly payment	\$ 1,709			
Interest rate	4.29%			
Terms	Resets every 5 years to 3.00% above the Federal Home Loan Bank Bullet Rate (1.21% at June 30, 2020 and 2019, respectively) with a floor of 4.29%			
Collateral	First lien on the Fork & Spoon Homestyle Kitchen building, land, and all equipment, furniture, and fixtures.			
U.S. Department of Housing and Urban Development		\$ 438,100	\$ 438,100	\$ 438,100
Loan date	September 30, 2006			
Maturity date	January 1, 2037			
Monthly payment	The loan terms call for no payments with the loan balance forgiven at maturity if all compliance requirements are met. If default occurs, interest is 7% and the loan is due and payable without notice.			
Interest rate	0.00%			
Collateral	Summit Apartments.			

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 8. NOTES PAYABLE (CONTINUED)

		Original Loan Amount	2020 Balance Outstanding	2019 Balance Outstanding
Community First Fund of Montana		\$ 92,500	\$ 83,487	\$ 85,511
Loan date	August 24, 2015			
Maturity date	September 1, 2045			
Monthly payment	\$ 415			
Interest rate	3.50%			
Collateral	First lien on the Youth Transitional Home building.			
Big Sky Western Bank		\$ 540,000	\$ 507,559	\$ 524,909
Loan date	July 14, 2017			
Maturity date	July 14, 2038			
Monthly payment	\$ 3,499			
Interest rate	4.78%			
Terms	Resets every 5 years to 2.50% above the Federal Home Loan Bank 5-year long-term fixed rate (.78% and 2.16% at June 30, 2020 and 2019, respectively) with a minimum rate of 4.78%			
Collateral	First lien on the Belgrade Child Care Center building and land			
Big Sky Western Bank		\$ 1,342,500	\$ 1,265,237	\$ 1,312,803
Loan date	October 23, 2017			
Maturity date	October 23, 2037			
Monthly payment	\$ 8,978			
Interest rate	4.60%			
Terms	Resets every 5 years to 2.50% above the Federal Home Loan Bank 5-year long-term fixed rate (.78% and 2.16% at June 30, 2020 and 2019, respectively) with a minimum rate of 4.60%			
Collateral	First lien on the Cottages at Menicucci Square buildings and land			
First Security Bank		\$ 4,971,317	\$ 699,607	\$ 3,914,321
Loan date	December 20, 2018			
Modified	August 21, 2020			
Maturity date	June 18, 2040			
Interest rate	5.25%			
Terms	Note is a construction loan with multiple draws, up to a maximum of \$5,239,537. Due in monthly installments beginning September 18, 2021 of \$4,881.			
Collateral	Deed of trust on 18 condominiums and land for the Meadowview Development in Big Sky, MT.			

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 8. NOTES PAYABLE (CONTINUED)

		<u>Original Loan Amount</u>	<u>2020 Balance Outstanding</u>	<u>2019 Balance Outstanding</u>
First Security Bank		\$ 2,656,362	\$ 2,656,362	\$ -
Loan date	September 23, 2019			
Modified	August 21, 2020			
Maturity date	March 23, 2041			
Interest rate	5.00%			
Terms	Note is a construction loan with multiple draws, up to a maximum of \$6,221,027. Due in monthly installments beginning September 23, 2021 of \$42,660.			
Collateral	Deed of trust on 52 condominiums and land for the Meadowview Development in Big Sky, MT.			
First Security Bank		\$ 1,125,000	\$ 1,125,000	\$ 1,125,000
Loan date	July 6, 2018			
Maturity date	July 6, 2020			
Monthly payment	\$ 4,922			
Interest rate	5.25%			
Terms	Principal due upon maturity. Monthly interest payments beginning August 6, 2018 until maturity.			
Collateral	Deed of trust dated July 6, 2018, on to a trustee in favor of Lender on 5.73 acres of land located in Bozeman, MT.			
Private Loan		\$ 890,100	\$ 890,100	\$ 375,000
Loan date	October 2, 2018			
Maturity date	October 2, 2022			
Monthly payment	\$ 1,484			
Interest rate	2.00%			
Terms	Note agrees to loan up to \$1,000,000. Principal due upon maturity. Monthly interest only payments.			
Collateral	Deed of trust to a trustee in favor of Lender on real property located in Gallatin County, MT.			
US Department of Housing and Urban Development, Mortgage Restructuring Loan		\$ 388,532	\$ 293,050	\$ 316,011
Loan date	May 12, 1999			
Maturity date	July 1, 2029			
Interest rate	1.00%			
Terms	Payments dependent on remaining cash from operations			
Collateral	Secured by second lien on Miles Building Apartments			

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 8. NOTES PAYABLE (CONTINUED)

		<u>Original Loan Amount</u>	<u>2020 Balance Outstanding</u>	<u>2019 Balance Outstanding</u>
Montana Board of Housing		\$ 550,000	\$ 274,661	\$ 297,018
Loan date	May 6, 1999			
Maturity date	June 1, 2029			
Monthly payment	\$ 3,298			
Interest rate	6.00%			
Collateral	Secured by first lien on Miles Building Apartments			
Local Initiatives Support Corporation		\$ 20,000	\$ -	\$ 20,000
Original loan date	October 1, 2018			
Maturity date	September 30, 2019			
Interest rate	0.00%			
Terms	Principal due upon maturity			
Collateral	Secured by Housing First Village Recoverable Grant			
First Security Bank		\$ 3,111,200	\$ 1,892,640	\$ -
Loan date	May 28, 2019			
Maturity date	November 28, 2020			
Interest rate	5.34%			
Terms	Note is a construction loan up to a maximum of \$3,111,200. Principal and accrued interest due upon maturity			
Collateral	Secured by Willow Springs property			
First Security Bank		\$ 2,498,492	\$ 6,433	\$ -
Loan date	May 14, 2020			
Maturity date	November 14, 2021			
Interest rate	4.59%			
Terms	Note is a construction loan up to a maximum of \$2,498,492. Principal and accrued interest due upon maturity			
Collateral	Secured by Willow Springs property			
First Security Bank		\$ 423,750	\$ 416,527	\$ -
Loan date	August 23, 2019			
Maturity date	August 23, 2044			
Monthly payment	\$ 2,477			
Interest rate	5.00%			
Terms	Resets every 5 years to 2.75% above the Federal Home Loan Bank 5-year long-term fixed rate (currently at 0.78%) with a minimum rate of 5.00%			
Collateral	Deed of trust dated August 23, 2019 on property located at 214 & 216 N. 15th Ave located in Bozeman, MT.			
First Security Bank		\$ 407,000	\$ 407,000	\$ -
Loan date	April 16, 2020			
Maturity date	April 16, 2022			
Interest rate	1.00%			
Terms	Due in monthly installments beginning September 16, 2021 of \$22,904; Loan is a payroll protection program (PPP) loan, subject to forgiveness upon meeting certain criteria.			
Collateral	Loan is unsecured			

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 8. NOTES PAYABLE (CONTINUED)

		Original Loan Amount	2020 Balance Outstanding	2019 Balance Outstanding
First Security Bank		\$ 585,000	\$ 585,000	\$ -
Loan date	June 26, 2020			
Maturity date	June 26, 2022			
Interest rate	4.59%			
Terms	Principal and accrued interest due upon maturity			
American Bank		\$ 751,195	\$ 751,195	\$ -
Loan date	December 30, 2019			
Maturity date	December 31, 2020			
Interest rate	4.75%			
Terms	Note is a construction loan up to a maximum of \$950,000. Principal and accrued interest due upon maturity			
Collateral	Secured by Livingston Housing Development property			
Private Loan		\$ 1,471,512	\$ 1,471,512	\$ -
Loan date	August 30, 2019			
Maturity date	August 30, 2022			
Interest rate	2.00%			
Terms	Monthly interest only payments. Principal and accrued interest due upon maturity			
Private Loan		\$ 3,000,000	\$ 3,000,000	\$ -
Loan date	August 31, 2019			
Maturity date	August 31, 2024			
Interest rate	6.00%			
Terms	Monthly interest only payments. Principal and accrued interest due upon maturity			
Total notes payable			<u>\$ 17,984,413</u>	<u>\$ 9,682,105</u>

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

2021	\$ 7,282,989
2022	1,164,365
2023	2,535,686
2024	182,617
2025	3,190,978
Thereafter	<u>3,627,778</u>
	<u>\$ 17,984,413</u>

On April 16, 2020, HRDC received loan proceeds in the amount of \$407,000 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 8. NOTES PAYABLE (CONTINUED)

The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months following the end of the covered period. While HRDC currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, it is possible HRDC may be ineligible for forgiveness of the loan in whole or in part.

In addition, HRDC uses corporate unrestricted funds received from donations and other sources to finance housing programs and social programs through intercompany loans. The loans bear interest at rates of 0 to 8 percent and carry terms of various lengths.

A summary of these intercompany loans from HRDC funds is as follows:

	Original Loan Amount	2020 Balance Outstanding	2019 Balance Outstanding
Sherwood Inn Apartments, Inc. loan - Corporate funds	\$ 444,269	\$ 223,853	\$ 238,678
Loan date	February 1, 2004		
Maturity date	February 1, 2034		
Annual payment	\$ 17,215		
Interest rate	1.00%		
Collateral	Sherwood Inn Apartments		
Sherwood Inn Apartments, Inc. loan - Corporate funds	\$ 142,642	\$ 79,542	\$ 88,817
Loan date	August 30, 2012		
Maturity date	September 1, 2027		
Annual payment	\$ 1,055		
Interest rate	4.00%		
Collateral	Sherwood Inn Apartments		
Sherwood Inn Apartments, Inc. loan - Smyth funds	\$ 250,000	\$ 139,406	\$ 155,665
Loan date	August 30, 2012		
Maturity date	September 1, 2027		
Annual payment	\$ 1,849		
Interest rate	4.00%		
Collateral	Sherwood Inn Apartments		
Home Corporation (West Babcock Apartments) - Smyth funds	\$ 200,000	\$ 167,138	\$ 172,391
Loan date	April 29, 2013		
Maturity date	May 5, 2040		
Annual payment	\$ 1,034		
Interest rate	4.21%		
Collateral	West Babcock Apartments		

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 8. NOTES PAYABLE (CONTINUED)

	<u>Original Loan Amount</u>	<u>2020 Balance Outstanding</u>	<u>2019 Balance Outstanding</u>
Miles LP - Miles Building, Inc. CDBG Loan	\$ 500,000	\$ 500,000	\$ 500,000
Original date of loan	July 1, 2002		
Loan acquired in acquisition	January 1, 2019		
Maturity date	July 1, 2042		
Annual payment	Loan deferred until available cash flow and reserves are funded		
Interest rate	5.70%		
Collateral	Secured by revenues of Miles Limited Partnership		
Miles LP - Miles Building, Inc. Equity Loan	\$ 259,947	\$ 251,729	\$ 257,198
Original date of loan	December 4, 2001		
Loan acquired in acquisition	January 1, 2019		
Maturity date	December 4, 2041		
Annual payment	Loan deferred until available cash flow and reserves are funded		
Interest rate	1.00%		
Collateral	Secured by revenues of Miles Limited Partnership		
Miles LP - Miles Building, Inc. Reserves Loan	N/A	\$ 63,920	\$ 63,920
Original date of loan	March 31, 2013		
Loan acquired in acquisition	January 1, 2019		
Maturity date	Not Specified		
Annual payment	Loan deferred until available cash flow and reserves are funded		
Interest rate	0.00%		
Collateral	Secured by revenues of Miles Limited Partnership		
	Total long-term intercompany notes payable	<u>\$ 1,425,588</u>	<u>\$ 1,476,669</u>

There are no intercompany loans due within the next five years.

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

	<u>2020</u>	<u>2019</u>
Other temporary intercompany loans		
Miles Building, Inc. 0%	\$ 151,713	\$ 151,713
Koch Home 8%	18,952	21,401
HRDC Annex Building 0%	145,355	145,355
Fork & Spoon Building 0%	100,208	100,208
Belgrade Head Start Center 0%	317,638	317,638
Cottages at Menicucci Square 0%	519,147	519,147
Boulevard Apartments 0%	34,703	-
Total temporary intercompany loans	<u>\$ 1,287,716</u>	<u>\$ 1,255,462</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 9. LEASES

HRDC classifies its leases as either operating or capitalized leases. Currently all leases are operating leases. Office space in Livingston, Montana is leased for \$500 per month to effectively serve the Livingston community with HRDC programs and services. The lease renews on an annual basis.

HRDC also began leasing a networked copier/printer system for \$1,573 per month under a 5 year term beginning March 2012. This lease has been renewed on a month to month basis.

HRDC entered into a lease agreement for parking space for the Fork & Spoon in October 2015 continuing through September 2021. Rent was \$1,000 per month and increased to \$1,100 per month in October 2018.

HRDC entered into a lease agreement in January 2018 for facilities used by the Big Sky Food Bank that expires December 31, 2020. Rent under the agreement is \$1,500 per month for the first year; \$1,550 per month for the second year; and \$1,600 for the third year.

HRDC entered into a month-to-month lease agreement in September 2015 for lot rental for the Youth Transitional Home. Rent was \$335 per month and increased to \$350 per month in November 2015 and remains at this amount.

HRDC entered into a lease agreement in January 2017 to store manufactured housing units in Belgrade for \$30 per unit per month.

HRDC entered into a lease agreement in April 2017 to lease land in Three Forks for 20 years for \$100 per month.

HRDC entered into a month-to-month lease agreement in October 2018 for office space in Helena for \$250 per month.

HRDC entered into a month-to-month lease agreement in November 2018 for office space in Big Sky for \$550 per month.

HRDC entered into a month-to-month lease agreement in November 2018 for seven additional offsite parking spaces for \$350 per month through November 2019. This lease has been renewed on a month to month basis.

HRDC entered into a lease agreement in January 2019 for office space that expires December 31, 2019 for \$1,300 per month. This lease has been renewed through December 2021 for \$1,313 per month.

HRDC entered into a lease agreement in February 2019 for office space that expires September 30, 2021 for \$2,200 per month. Rent will be adjusted annually with the consumer price index rate.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 9. LEASES (CONTINUED)

HRDC entered into a lease agreement in December 2019 for a warming center in Bozeman that expires December 2024 for \$10,000 per month.

Rent expense totaled \$180,732 and \$100,412 for 2020 and 2019, respectively. Future minimum payments due under lease agreements is as follows:

<u>Year ending June 30,</u>	
2021	\$ 189,756
2022	146,286
2023	132,324
2024	68,730
2025	1,200
Thereafter	<u>17,000</u>
	<u>\$ 555,296</u>

NOTE 10. EMPLOYEE BENEFITS

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

401(k) Retirement Plan

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

Employer matching contributions vest as follows:

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

For the years ended June 30, 2020 and 2019, HRDC contributed \$184,030 and \$169,930 in matching contributions to the 401(k) Retirement Plan.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

Health Insurance

HRDC participates in a Group Health Benefit Plan (Health Plan) which provides eligible employees and their dependents with medical insurance. Employees can choose between a traditional plan where the Health Plan has a \$2,500 deductible provision whereby the first \$2,500 of medical expense annually is paid by the employee or a high deductible plan with \$3,500 deductible. Any cost in excess of the deductible is covered through an insurance policy from an insurance provider. HRDC paid \$470,242 and \$422,165 for insurance premiums for the years ended June 30, 2020 and 2019, respectively. The employee maximum annual responsibility for the traditional plan and high deductible plan is \$4,500 for single coverage and \$9,000 for family coverage, respectively.

NOTE 11. LAND TRUSTS

Bozeman, Montana

HRDC created the West Babcock Land Trust in Bozeman, Montana in 1994 upon which twenty-three homes have been constructed and sold to income eligible individuals (including three homes constructed by Habitat for Humanity). The purpose of the Land Trust is to provide housing that is permanently affordable to low and moderate income levels, while creating home ownership opportunities. HRDC is able to stimulate the availability of long-term affordable housing through the use of long-term Ground Leases.

HRDC retains title to the Land, and shares in the equity of the home with eligible individuals who purchase the homes for a price based upon their ability to pay. The total equity is determined by independent appraisals.

A summary of sales prices and equity percentages are as follows:

	<u>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>
Appraised value of homes at the time of purchase (excluding land)	\$ 2,450,300	100.0%	\$ 2,300,300	100.0%
Sales price to individuals	<u>2,077,425</u>	84.8%	<u>1,927,425</u>	83.8%
Balance of equity to HRDC	<u>\$ 372,875</u>	15.2%	<u>\$ 372,875</u>	16.2%

When the individuals sell their homes, they must sell either to HRDC or to other income eligible individuals. Proceeds from a sale are allocated between the individual and HRDC in the relative proportion of equity at the time of purchase in accordance with the Ground Lease Agreement.

Each homeowner has signed a 99-year renewable Ground Lease which is paid in semiannual installments of \$180. Lease payments billed during the years ending June 30, 2020 and 2019 totaled \$8,280 per year.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 11. LAND TRUSTS (CONTINUED)

Bozeman, Montana (Continued)

HRDC has agreed to act as a guarantor on two individual Deeds of Trust with local lenders with a combined original mortgage amount of \$95,600 as of June 30, 2020 and 2019. HRDC serves as a guarantor in order to secure financing for purchasers of these affordable homes. HRDC's guarantee is secured by land held in the Land Trust.

HRDC created the Willow Springs Land Trust in Bozeman, Montana in 2019-2020, upon which up to twenty-four townhomes may be constructed and sold to income eligible individuals. The construction of the townhomes was facilitated by program revenue from a previous Neighborhood Stabilization Program grant from the U.S. Department of Housing and Urban Development (HUD) through the Montana Department of Commerce. Twelve townhome units were completed in Phase 1, and nine townhomes sales to individuals had been finalized as of June 30, 2020.

A summary of sales prices and equity percentages for the homes sold are as follows:

	<u>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>
Appraised value of homes at the time of purchase (excluding land)	\$ 2,137,500	100.0%	\$ -	100.0%
Sales price to individuals	<u>2,062,500</u>	96.5%	<u>-</u>	100.0%
Balance of equity to HRDC	<u>\$ 75,000</u>	3.5%	<u>\$ -</u>	100.0%

Livingston, Montana

HRDC created a Land Trust in Livingston, Montana in 1998, upon which up to twenty-two homes may be constructed and sold to income eligible individuals. The construction of the homes was facilitated by a HOME grant from the U.S. Department of Housing and Urban Development (HUD) through the Montana Department of Commerce. Eighteen homes were completed and sales to individuals were finalized. During fiscal year 1997, land valued at \$90,000 was donated to HRDC for the Livingston Land Trust.

A summary of sales prices and equity percentages for the homes sold are as follows:

	<u>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>
Appraised value of homes at the time of purchase (excluding land)	\$ 913,500	100.0%	\$ 913,500	100.0%
Sales price to individuals	<u>837,522</u>	91.7%	<u>837,522</u>	91.7%
Balance of equity to HRDC	<u>\$ 75,978</u>	8.3%	<u>\$ 75,978</u>	8.3%

Each homeowner has signed a 99-year renewable Ground Lease which includes provisions required for use with homeowner mortgages insured by HUD/Federal Housing Authority.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 11. LAND TRUSTS (CONTINUED)

Big Sky, Montana

HRDC created the Meadowview Land Trust in Big Sky, Montana in 2019-2020, upon which up to fifty-two condominium homes may be constructed and sold to income eligible individuals. The construction of the condominium units was facilitated by grant funding from the Big Sky Resort Area District. Eighteen condominium units were completed in Phase 1, and sales to individuals were finalized during the year ending June 30, 2020.

A summary of sales prices and equity percentages for the homes sold are as follows:

	<u>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>
Appraised value of homes at the time of purchase (excluding land)	\$ 4,756,600	100.0%	\$ -	100.0%
Sales price to individuals	<u>4,071,634</u>	85.6%	<u>-</u>	100.0%
Balance of equity to HRDC	<u>\$ 684,966</u>	14.4%	<u>\$ -</u>	100.0%

NOTE 12. RISK MANAGEMENT

HRDC faces a number of risks including (1) loss or damage to property, (2) general liability, and (3) employee medical insurance. Commercial insurance policies are purchased for loss or damage to property, general liability, and employee medical insurance to manage these risks.

NOTE 13. PLANNED GIFT LIABILITIES

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

The following table summarizes the change to planned gift liabilities for the year ended June 30, 2020 and 2019:

Estimated present value of liability at July 1, 2018	\$ 3,882
Increase in estimated present value of liability from contributions	<u>7,322</u>
Estimated present value of liability at July 1, 2019	11,204
Increase in estimated present value of liability from contributions	<u>972</u>
Estimated present value of liability at June 30, 2020	<u>\$ 12,176</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 13. PLANNED GIFT LIABILITIES (CONTINUED)

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

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

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

For the year ended June 30, 2020, HRDC met the requirements to issue qualified charitable gift annuities.

NOTE 14. ENDOWMENT NET ASSETS

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

Interpretation of Relevant Law

HRDC has interpreted the Montana Uniform Prudent Management of Institutional Funds Act (MUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, HRDC classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the HRDC in a manner consistent with the standard of prudence prescribed by MUPMIFA.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 14. ENDOWMENT NET ASSETS (CONTINUED)

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

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

Funds with Deficiencies

From time to time, the fair value of assets associated with the endowment funds may fall below the level that the donor or MUPMIFA requires HRDC to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets.

These deficiencies result from unfavorable market fluctuations that occur during the investment of contributions and continued appropriation, if any, for certain programs that are deemed prudent by the Board of Directors. There were no such deficiencies as of June 30, 2020 and 2019.

Return Objectives and Risk Parameters

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

HRDC's spending policy allows an annual distribution not to exceed the average net earnings, growth, and income. Any portion of the annual distribution funds not distributed in any given year will be retained in the endowment fund for expenditure in future years. The HRDC expects its spending policy to allow the endowment to grow and to maintain the purchasing power of the endowment assets. No funds were distributed in 2020 and 2019.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 14. ENDOWMENT NET ASSETS (CONTINUED)

Endowment net asset composition by type of fund as of June 30, 2020 and 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
<u>2020</u>			
Donor-restricted endowment funds	\$ -	\$ 163,812	\$ 163,812
Board designated endowment funds	<u>5,542</u>	<u>-</u>	<u>5,542</u>
	<u><u>\$ 5,542</u></u>	<u><u>\$ 163,812</u></u>	<u><u>\$ 169,354</u></u>
<u>2019</u>			
Donor-restricted endowment funds	\$ -	\$ 154,603	\$ 154,603
Board designated endowment funds	<u>5,542</u>	<u>-</u>	<u>5,542</u>
	<u><u>\$ 5,542</u></u>	<u><u>\$ 154,603</u></u>	<u><u>\$ 160,145</u></u>

Changes in HRDC General Endowment net assets for the years ended June 30, 2020 and 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2018	\$ 5,542	\$ 54,231	\$ 59,773
Contributions and transfers	<u>-</u>	<u>100,372</u>	<u>100,372</u>
Endowment net assets, June 30, 2019	5,542	154,603	160,145
Contributions and transfers	<u>-</u>	<u>9,209</u>	<u>9,209</u>
Endowment net assets, June 30, 2020	<u><u>\$ 5,542</u></u>	<u><u>\$ 163,812</u></u>	<u><u>\$ 169,354</u></u>

NOTE 15. RELATED PARTIES

HRDC is the non-profit general partner of the Bridger Peaks Village Associates, LP, Darlington Apartments, LP, and Stoneridge Apartments, LP. HRDC entered into these limited partnership agreements to facilitate the construction and operation of low-income housing partially financed by the sale of low-income housing tax credits. HRDC has a 0.01 percent ownership interest in the Bridger Peaks Village Associates, LP, Darlington Apartments, LP, and Stoneridge Apartments, LP.

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

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 15. RELATED PARTIES (CONTINUED)

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

Effective June 1, 2019, HRDC purchased a condominium from a board member in the amount of \$264,000. The purpose of purchasing this property is to implement a deed restriction on the property in perpetuity requiring that future buyers meet certain affordable housing qualifications, thus increasing Bozeman's supply of owner-occupied affordable housing units. The condominium unit was sold to a qualifying third party on September 10, 2019 for \$230,000, after implementing the affordable deed restriction, which also reduced its appraised fair market value at sale.

NOTE 16. CONCENTRATION OF RISK

HRDC has invested in apartment complex buildings and equipment with a cost basis of \$14,261,873 and net book value of \$9,745,715 as of June 30, 2020, representing a concentration in the real estate rental market. Additionally, the low-income housing sector operates in a heavily regulated environment which is subject to the directives, rules, and regulations of federal, state, and local regulatory agencies, which could change with little notice.

For the year ended June 30, 2020, revenues generated from rental operations were \$1,692,370 or six percent of the HRDC's total revenues. Corresponding debt service payments made to third parties were \$109,264 for the year with total outstanding debts related to the apartment units of \$7,136,816 or thirty-two percent of HRDC's total liabilities. If there was a change in the demand for rental housing in the area, or change in federal, state, or local regulations, it could adversely affect the operations of HRDC.

HRDC receives a significant portion of its revenue from grants from government agencies; thus, the HRDC is subject to possible cutbacks due to changes in funding priorities. During the years ended June 30, 2020 and 2019, HRDC received approximately 24% and 37%, respectively, of its gross public support from such grants.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 17. RISKS AND UNCERTAINTIES

The COVID-19 outbreak in the United States has caused business disruption to HRDC. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the financial impact of the disruption. At this time, HRDC cannot reasonably estimate the financial impact of COVID-19 on its overall operations.

NOTE 18. SUBSEQUENT EVENTS

On July 10, 2020, HRDC purchased the Rodeway Inn in Bozeman, a hotel property with 42 rooms, for the primary purpose of providing temporary shelter for community members under short-term COVID-19 quarantine and isolation restrictions. The purchase price was \$1,950,000, financed by two loans. HRDC entered into a new loan agreement with Yellowstone Bank to borrow \$1,462,500 at an initial interest rate of 4.03% variable, with monthly principal and interest payments of \$10,820 per month for 15 years and a maturity date of July 10, 2035. The loan is secured by the hotel land, improvements and rental revenue. HRDC also borrowed \$473,315 from a private lender, evidenced by a new loan agreement dated July 9, 2020. The loan terms include an interest rate of 2.00% fixed, with monthly interest only payments averaging \$789 per month for three years, followed by a balloon payment of all outstanding principal and accrued interest due on the maturity date of July 9, 2023. This bridge loan is secured by a second position lien on the hotel land and improvements.

Effective July 28, 2020, HRDC and its wholly owned subsidiaries, Darlinton Apartments, Inc. and Darlinton 2020, LLC, acquired 100% of the existing partners' ownership interests in the Darlinton Manor HP/HRDC Limited Partnership, owner of the Darlinton Manor Apartments. HRDC had previously exercised its Right of First Refusal to purchase the Darlinton Manor Apartments, a multifamily affordable housing property consisting of 100 subsidized rental units in Bozeman. Under the Purchase Option and Right of First Refusal Agreement dated October 29, 1999, as amended by the Interests Purchase Agreement (Conversion to Partnership Interests) dated July 23, 2020, the purchase price was stipulated as the amount of outstanding debt plus exit taxes plus net current assets as of the purchase closing date. Based on this, the purchase price was \$1,989,817, consisting of the outstanding debt balances of two loans owed to the Montana Board of Housing (MBOH) and HUD in the amounts of \$1,747,742 and \$41,274 respectively, plus exit taxes of \$129,382, plus net current assets of \$71,419. The Darlinton Manor Apartments continued to be owned by the Darlinton Manor HP/HRDC Limited Partnership after HRDC's acquisition of the controlling ownership interest.

In September 2020, construction of HRDC's affordable rental housing development project in Livingston was substantially completed, including infrastructure and placement of 12 manufactured housing units purchased in July 2016 on previously undeveloped lots in HRDC's Livingston Community Land Trust.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 18. SUBSEQUENT EVENTS (CONTINUED)

Total development cost was \$1,283,741, consisting of \$423,706 for the 12 manufactured housing units and \$860,035 of additional construction costs including the cost of landscaping completed in March 2021. To provide permanent financing for the Livingston development, on September 29, 2020, HRDC entered into a new loan agreement with the Montana Board of Housing (MBOH) to borrow \$900,000 at an initial interest rate of 3.56%, with monthly principal and interest payments of \$4,072 per month for 30 years and a maturity date of October 1, 2050. The loan is secured by the land and improvements. In addition, HRDC borrowed \$200,000 from Montana Homeownership Network, Inc., dba NeighborWorks Montana, evidenced by a new loan agreement dated October 1, 2020. The loan terms include an initial interest rate of 4.00%, with monthly principal and interest payments of \$955 per month for 30 years and a maturity date of October 1, 2050. This loan is secured by a second position lien on the land and improvements. HRDC's construction loan of \$950,000 previously received from American Bank for the Livingston development was paid off with the new mortgage loan proceeds.

On October 30, 2020, HRDC purchased property in Gardiner, Montana consisting of a 4.6 acre land parcel with one residential structure for future development of affordable workforce housing units to serve the increasing needs of the Gardiner community. The purchase price was \$875,000, financed by two loans. HRDC entered into a new loan agreement with First Security Bank, a Division of Glacier Bank, to borrow \$656,250 at an initial interest rate of 4.19% variable, with monthly principal and interest payments of \$3,534 per month for 10 years, followed by a balloon payment of all outstanding principal and accrued interest of approximately \$475,193 due on the maturity date of November 1, 2030. The loan is secured by the land and improvements. HRDC also borrowed \$220,000 from Montana Homeownership Network, Inc., dba NeighborWorks Montana, evidenced by a new loan agreement dated February 17, 2021. The loan terms include an interest rate of 6.50% fixed, with quarterly interest only payments averaging \$3,575 per calendar quarter for two years, followed by a balloon payment of all outstanding principal and accrued interest due on the maturity date of February 28, 2023. This bridge loan is secured by a second position lien on the land and improvements.

During July-December 2020, HRDC undertook a construction project to make significant leasehold improvements and alterations to a recently leased facility. The leasehold improvements were substantially completed in December 2020 at a cost of \$834,186, and the new facility began serving the Warming Center program of HRDC.

Effective January 21, 2021, HRDC conveyed a land parcel of 8.03 acres known as the Bridger View Redevelopment tract in Bozeman to the Headwaters Community Housing Trust by means of a Special Warranty Deed at no cost to the recipient. This land parcel had been previously conveyed by the Trust for Public Lands (TPL) to HRDC by donation on June 26, 2019, with an appraised fair market value of \$1,600,000, for future development of workforce housing and mixed-income housing units. HRDC will in turn treat this conveyance transaction as a corresponding donation to the recipient. As the new owner, Headwaters Community Housing Trust has assumed responsibility for future housing development activities at the Bridger View Redevelopment tract.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 18. SUBSEQUENT EVENTS (CONTINUED)

Construction activity continued in progress on Phase 2 of HRDC's Meadowview condominium development project, which will produce 34 additional new affordable workforce housing units in Big Sky. Total construction cost to date through March 2021 is \$9,571,863, and corresponding construction loan draws total \$6,919,996. As Phase 2 condominium units are completed, they are being sold to qualifying homebuyers who will live and work in Big Sky, with the sales proceeds applied toward repayment of the construction loan balance with First Security Bank, a Division of Glacier Bank.

Construction activity has also continued to progress on Phase 2 of HRDC's Willow Springs Planned Unit Development, which will produce 12 additional new affordable townhouse units in Bozeman. Total construction cost to date through March 2021 is \$3,492,456, and corresponding construction loan draws total \$2,498,492. As Phase 2 townhouse units are completed, they are being sold to qualifying homebuyers, with the sales proceeds applied toward repayment of the construction loan balance with First Security Bank, a Division of Glacier Bank.

In addition, predevelopment and early construction activity has continued on future facilities of HRDC currently under development. In February 2021, construction commenced on the tiny house development known as Housing First Village on a land parcel purchased by HRDC in June 2020, with total development costs to date through March 2021 of \$296,661. Predevelopment, design and engineering activities have also continued to progress on another land parcel previously acquired by HRDC for future expansion of facilities, with total development costs to date through March 2021 of \$727,615.

Effective March 1, 2021, HRDC and its affiliates sold four multifamily affordable rental housing properties located in Bozeman and Livingston to a newly formed limited partnership for the purpose of rehabilitating and preserving the combined 230 subsidized rental units as affordable housing, utilizing financing provided by federal Low Income Housing Tax Credit investors, tax-exempt bonds, new loans and other related sources. The four sold properties are: Boulevard Apartments, a 40-unit building in downtown Bozeman owned by HRDC; Darlinton Manor Apartments, a 100-unit building in Bozeman owned by the Darlinton Manor HP-HRDC Limited Partnership, whose partner-owners are Darlinton Apartments Inc. and Darlinton 2020 LLC, both wholly owned subsidiaries of HRDC; Miles Building Apartments, a 40-unit building in downtown Livingston owned by the Miles Limited Partnership, whose partner-owners are Miles Building Inc. and Miles 2017 LLC, both wholly owned subsidiaries of HRDC; and Sherwood Inn Apartments, a 50-unit building in downtown Livingston owned by Sherwood Inn Apartments Inc., a wholly owned subsidiary of HRDC.

The new owner of these four properties as of March 1, 2021 is HRDC IX Affordable Housing Solutions LP (Limited Partnership). Its co-general partners are GHP BZLV Holdings LLC, an affiliate of Good Housing Partnership LLC (Administrative GP with an ownership interest of .0051%) and 4 Property LLC, a wholly owned subsidiary of HRDC newly formed for this purpose (Managing GP with .0049%).

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
June 30, 2020 and 2019

NOTE 18. SUBSEQUENT EVENTS (CONTINUED)

Its limited partner ownership interests (99.99%) are held by affiliates of CREA. Resource Property Management, an operating division of HRDC, serves as property manager for the four properties.

The March 1, 2021 sales transaction and formation of the new limited partnership owner, HRDC IX Affordable Housing Solutions LP, was preceded by a Memorandum of Understanding between Good Housing Partnership LLC and HRDC and its affiliates executed on December 5, 2019, which outlined the intent and general framework of the arrangement.

Management has evaluated events through June 16, 2021, the date on which the financial statements were available for issue.

SUPPLEMENTAL INFORMATION

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
EXPLANATION OF SUPPLEMENTAL SCHEDULES
June 30, 2020 and 2019

NOTE 1. BUDGET COLUMN

The grant award budget column is based upon the last formally approved budget provided by the grantor. In addition, the grantee is allowed to make certain budget transfers within prescribed limits. These latter transfers are not reflected. The intention of HRDC is to show the budget based upon the final budget including all transfers, to provide a more meaningful presentation to the reader.

NOTE 2. EXPLANATION OF ACRONYMS

Acronyms used in the grant number indicate the grantor agency. Acronyms used in the supplemental schedules follow:

CDBG = Community Development Block Grant
CSBG = Community Service Block Grant
DOC = Montana Department of Commerce
DOE = U.S. Department of Energy
DOLI = Montana Department of Labor and Industry
DOT = U.S. Department of Transportation
DPHHS = Montana Department of Public Health and Human Services
FEMA = Federal Emergency Management Agency
FTA = Federal Transit Administration
HHS = U.S. Department of Health and Human Services
HUD = U.S. Department of Housing and Urban Development
LIEAP = Low Income Energy Assistance Program
MBOH = Montana Board of Housing
MDT = Montana Department of Transportation
RSVP = Retired Senior Volunteer Program
TANF = Temporary Assistance to Needy Families
WIA = Workforce Investment Act
WX = Weatherization

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
June 30, 2020

	HRDC	HRDC Colo. Apts.	HRDC West Edge	Cottages at Menicucci Square	Home Corporation	Miles Building, Inc.	Miles, LP	Darlington Apts., Inc.	Sherwood Inn Apts., Inc.	Summit Apts., Inc	Boulevard Apartments	BSV Rural Partners, LLC	Eliminations	Consolidated Total
ASSETS														
Cash and cash equivalents	\$ 2,226,277	\$ 43,081	\$ 15,886	\$ 20,940	\$ 60,223	\$ 221,419	\$ 73,844	\$ 20,421	\$ 79,102	\$ 14,112	\$ 46,135	\$ 32,493	\$ -	\$ 2,853,933
Escrow and building reserve	1,022,249	21,900	-	-	116,810	-	265,386	58,533	315,314	97,435	-	-	-	1,897,627
Receivables (Note 3)														
Grantors	2,045,186	-	-	-	-	-	-	-	-	-	-	-	-	2,045,186
Accounts receivable, net	1,231,124	-	-	10,701	88	515,774	(2,537)	-	1,015	3,459	1,850	19,791	(610,329)	1,170,936
Pledges, net	2,897,321	-	-	-	-	-	-	-	-	-	-	-	-	2,897,321
Prepaid expenses	188,428	347	121	808	1,006	-	5,059	-	2,768	283	1,656	-	-	200,476
Investments (Note 4)	1,204,145	-	-	-	-	-	-	-	-	-	-	-	-	1,204,145
Inventory - supplies and food bank	321,827	-	-	-	-	-	-	-	-	-	-	-	-	321,827
Inventory - condominiums, federal constraints	1,264,406	-	-	-	-	-	-	-	-	-	-	-	-	1,264,406
Other assets - manufactured homes	494,323	-	-	-	-	-	-	-	-	-	-	-	-	494,323
Deferred loans receivable, net (Note 3)	3,475,294	-	-	-	-	815,649	-	-	-	-	-	832,000	(2,131,152)	2,991,791
Investment in partnership	2,099,850	-	-	-	-	312,083	-	-	-	-	-	-	(2,411,933)	-
Construction in progress (Note 6)	7,524,701	-	-	-	-	-	-	-	-	-	-	-	-	7,524,701
Construction in progress, federal constraints (Note 6)	1,308,709	-	-	-	-	-	-	-	-	-	-	-	-	1,308,709
Property and equipment, net, federal constraints (Note 6)	5,665,982	-	-	-	530,907	-	1,796,854	-	662,928	272,360	-	-	-	8,929,031
Property and equipment, net (Note 6)	8,038,519	21,006	-	1,801,117	-	-	15,661	-	-	2,252	4,452,111	-	-	14,330,666
Total assets	<u>\$ 41,008,341</u>	<u>\$ 86,334</u>	<u>\$ 16,007</u>	<u>\$ 1,833,566</u>	<u>\$ 709,034</u>	<u>\$ 1,864,925</u>	<u>\$ 2,154,267</u>	<u>\$ 78,954</u>	<u>\$ 1,061,127</u>	<u>\$ 389,901</u>	<u>\$ 4,501,752</u>	<u>\$ 884,284</u>	<u>\$ (5,153,414)</u>	<u>\$ 49,435,078</u>
LIABILITIES														
Accounts payable	\$ 1,666,390	\$ 1,661	\$ 215	\$ 56,359	\$ 14,492	\$ -	\$ 13,656	\$ 58,533	\$ 14,310	\$ 2,059	9,156	\$ -	\$ (94,452)	\$ 1,742,379
Accrued liabilities	371,338	-	-	-	881	-	2,600	-	-	-	-	-	-	374,819
Accrued vacation, sick, and paid time off	271,123	-	-	-	-	-	-	-	-	-	-	-	-	271,123
Accrued interest payable	10,163	-	-	1,169	2,000	-	516,494	-	2,656	-	-	-	(515,877)	16,605
Deposits payable	225,702	4,071	2,610	19,621	17,558	-	10,320	-	13,148	826	6,834	-	-	300,690
Unearned revenue (Note 7)	47,717	-	-	-	-	-	-	-	-	-	-	-	-	47,717
Notes payable (Note 8)	10,847,597	-	-	1,784,384	561,394	151,713	1,383,361	-	442,801	438,100	4,506,215	-	(2,131,152)	17,984,413
Total liabilities	<u>13,440,030</u>	<u>5,732</u>	<u>2,825</u>	<u>1,861,533</u>	<u>596,325</u>	<u>151,713</u>	<u>1,926,431</u>	<u>58,533</u>	<u>472,915</u>	<u>440,985</u>	<u>4,522,205</u>	<u>-</u>	<u>(2,741,481)</u>	<u>20,737,746</u>
NET ASSETS														
Without donor restrictions														
Undesignated	14,406,882	80,602	13,182	(27,967)	(418,198)	1,713,212	(1,569,018)	20,421	(74,716)	(323,444)	(20,453)	884,284	(2,411,933)	12,272,854
HRDC General Endowment fund	5,542	-	-	-	-	-	-	-	-	-	-	-	-	5,542
Federal constrained inventory and capital assets	8,239,097	-	-	-	530,907	-	1,796,854	-	662,928	272,360	-	-	-	11,502,146
Total net assets without donor restrictions	22,651,521	80,602	13,182	(27,967)	112,709	1,713,212	227,836	20,421	588,212	(51,084)	(20,453)	884,284	(2,411,933)	23,780,542
With donor restrictions														
Purpose or time restrictions	4,752,978	-	-	-	-	-	-	-	-	-	-	-	-	4,752,978
Perpetual in nature (endowment)	163,812	-	-	-	-	-	-	-	-	-	-	-	-	163,812
Total net assets with donor restrictions	4,916,790	-	-	-	-	-	-	-	-	-	-	-	-	4,916,790
Total net assets	<u>27,568,311</u>	<u>80,602</u>	<u>13,182</u>	<u>(27,967)</u>	<u>112,709</u>	<u>1,713,212</u>	<u>227,836</u>	<u>20,421</u>	<u>588,212</u>	<u>(51,084)</u>	<u>(20,453)</u>	<u>884,284</u>	<u>(2,411,933)</u>	<u>28,697,332</u>
Total liabilities and net assets	<u>\$ 41,008,341</u>	<u>\$ 86,334</u>	<u>\$ 16,007</u>	<u>\$ 1,833,566</u>	<u>\$ 709,034</u>	<u>\$ 1,864,925</u>	<u>\$ 2,154,267</u>	<u>\$ 78,954</u>	<u>\$ 1,061,127</u>	<u>\$ 389,901</u>	<u>\$ 4,501,752</u>	<u>\$ 884,284</u>	<u>\$ (5,153,414)</u>	<u>\$ 49,435,078</u>

See Independent Auditor’s Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
June 30, 2019

	HRDC	HRDC Colo. Apts.	HRDC West Edge	Cottages at Menicucci Square	Home Corporation	Miles Building, Inc.	Miles, LP	Darlington Apts., Inc.	Sherwood Inn Apts., Inc.	Summit Apts., Inc	BSV Rural Partners, LLC	Eliminations	Consolidated Total
ASSETS													
Cash and cash equivalents	\$ 1,724,347	\$ 29,187	\$ 11,122	\$ 20,459	\$ 38,766	\$ 197,004	\$ 54,589	\$ 15,945	\$ 27,142	\$ 12,457	\$ 291,482	\$ -	\$ 2,422,500
Escrow and building reserve	10,000	17,000	-	-	86,189	-	89,529	-	271,562	78,005	-	-	552,285
Certificates of deposit	-	-	-	-	-	-	155,673	-	-	-	-	-	155,673
Receivables (Note 3)													
Grantors	920,989	-	-	-	-	-	-	-	-	-	-	-	920,989
Accounts receivable, net	723,831	-	4,592	3,880	293	491,727	1,901	-	2,011	3,570	15,631	(536,313)	711,123
Pledges, net	585,720	-	-	-	-	-	-	-	-	-	-	-	585,720
Prepaid expenses	50,360	321	-	804	964	-	519	-	4,049	281	-	-	57,298
Investments (Note 4)	1,173,750	-	-	-	-	-	-	-	-	-	-	-	1,173,750
Inventory - supplies and food bank	289,686	-	-	-	-	-	-	-	-	-	-	-	289,686
Inventory - condominiums, federal constraints	323,076	-	-	-	-	-	-	-	-	-	-	-	323,076
Inventory - condominiums	402,533	-	-	-	-	-	-	-	-	-	-	-	402,533
Other assets - manufactured homes	486,282	-	-	-	-	-	-	-	-	-	-	-	486,282
Deferred loans receivable, net (Note 3)	3,214,784	-	-	-	-	821,118	-	-	-	-	832,000	(2,147,528)	2,720,374
Investment in partnership	2,303,733	-	-	-	-	312,083	-	-	-	-	-	(2,615,816)	-
Construction in progress	4,875,658	-	-	-	-	-	-	-	-	-	-	-	4,875,658
Construction in progress, federal constraints (Note 6)	1,077,239	-	-	-	-	-	-	-	-	-	-	-	1,077,239
Property and equipment, net, federal constraints (Note 6)	6,180,994	-	-	-	582,857	-	1,885,208	-	707,944	287,258	-	-	9,644,261
Property and equipment, net (Note 6)	<u>6,401,520</u>	<u>21,925</u>	<u>-</u>	<u>1,887,391</u>	<u>-</u>	<u>-</u>	<u>20,057</u>	<u>-</u>	<u>-</u>	<u>2,701</u>	<u>-</u>	<u>-</u>	<u>8,333,594</u>
Total assets	<u>\$ 30,744,502</u>	<u>\$ 68,433</u>	<u>\$ 15,714</u>	<u>\$ 1,912,534</u>	<u>\$ 709,069</u>	<u>\$ 1,821,932</u>	<u>\$ 2,207,476</u>	<u>\$ 15,945</u>	<u>\$ 1,012,708</u>	<u>\$ 384,272</u>	<u>\$ 1,139,113</u>	<u>\$ (5,299,657)</u>	<u>\$ 34,732,041</u>
LIABILITIES													
Accounts payable	\$ 862,336	\$ 2,007	\$ 374	\$ 30,043	\$ 9,277	\$ -	\$ 15,499	\$ -	\$ 13,213	\$ 1,659	\$ -	\$ (48,142)	\$ 886,266
Accrued liabilities	321,069	-	-	-	936	-	9,095	-	-	-	-	-	331,100
Accrued vacation, sick, and paid time off	182,155	-	-	-	-	-	-	-	-	-	-	-	182,155
Accrued interest payable	14,304	-	-	1,280	1,981	-	488,864	-	1,809	-	-	(488,171)	20,067
Deposits payable	75,225	4,680	5,414	15,746	16,956	-	10,285	-	13,358	1,175	-	-	142,839
Unearned revenue (Note 7)	5,028	-	-	-	-	-	-	-	-	-	-	-	5,028
Notes payable (Note 8)	<u>6,907,534</u>	<u>-</u>	<u>-</u>	<u>1,831,949</u>	<u>583,026</u>	<u>151,713</u>	<u>1,434,148</u>	<u>-</u>	<u>483,163</u>	<u>438,100</u>	<u>-</u>	<u>(2,147,528)</u>	<u>9,682,105</u>
Total liabilities	<u>8,367,651</u>	<u>6,687</u>	<u>5,788</u>	<u>1,879,018</u>	<u>612,176</u>	<u>151,713</u>	<u>1,957,891</u>	<u>-</u>	<u>511,543</u>	<u>440,934</u>	<u>-</u>	<u>(2,683,841)</u>	<u>11,249,560</u>
NET ASSETS													
Without donor restrictions													
Undesignated	10,253,080	61,746	9,926	33,516	(485,964)	1,670,219	(1,635,623)	15,945	(206,779)	(343,920)	1,139,113	(2,615,816)	7,895,443
HRDC General Endowment fund	5,542	-	-	-	-	-	-	-	-	-	-	-	5,542
Federal constrained inventory and capital assets	<u>7,581,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>582,857</u>	<u>-</u>	<u>1,885,208</u>	<u>-</u>	<u>707,944</u>	<u>287,258</u>	<u>-</u>	<u>-</u>	<u>11,044,576</u>
Total net assets without donor restrictions	17,839,931	61,746	9,926	33,516	96,893	1,670,219	249,585	15,945	501,165	(56,662)	1,139,113	(2,615,816)	18,945,561
With donor restrictions													
Purpose or time restrictions	4,382,317	-	-	-	-	-	-	-	-	-	-	-	4,382,317
Perpetual in nature (endowment)	<u>154,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,603</u>
Total net assets without donor restrictions	<u>4,536,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,536,920</u>
Total net assets	<u>22,376,851</u>	<u>61,746</u>	<u>9,926</u>	<u>33,516</u>	<u>96,893</u>	<u>1,670,219</u>	<u>249,585</u>	<u>15,945</u>	<u>501,165</u>	<u>(56,662)</u>	<u>1,139,113</u>	<u>(2,615,816)</u>	<u>23,482,481</u>
Total liabilities and net assets	<u>\$ 30,744,502</u>	<u>\$ 68,433</u>	<u>\$ 15,714</u>	<u>\$ 1,912,534</u>	<u>\$ 709,069</u>	<u>\$ 1,821,932</u>	<u>\$ 2,207,476</u>	<u>\$ 15,945</u>	<u>\$ 1,012,708</u>	<u>\$ 384,272</u>	<u>\$ 1,139,113</u>	<u>\$ (5,299,657)</u>	<u>\$ 34,732,041</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
For the Year Ended June 30, 2020

	HRDC	HRDC Colo. Apts.	HRDC West Edge	Cottages at Menicucci Square	Home Corporation	Miles Building, Inc.	Miles, LP	Darlington Apts., Inc.	Sherwood Inn Apts., Inc.	Summit Apts., Inc	Boulevard Apartments	BSV Rural Partners, LLC	Eliminations	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS														
REVENUES														
Contract revenue	\$ 1,124,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (124,978)	\$ 999,029
Rental income	55,744	53,797	33,780	189,075	204,597	11,955	366,465	-	397,793	62,260	316,904	-	-	1,692,370
City/County/Local Government support	2,031,227	-	-	-	-	-	-	-	-	-	-	-	-	2,031,227
Sale of manufactured homes and condominiums	7,210,423	-	-	-	-	-	-	-	-	-	-	-	-	7,210,423
Contributions (including Fundraising):														
Grants:														
Federal	6,280,805	-	-	-	-	-	-	-	-	-	-	-	-	6,280,805
State	893,961	-	-	-	-	-	-	-	-	-	-	-	-	893,961
Private	1,278,455	-	-	-	-	-	-	-	-	-	-	-	-	1,278,455
Food (non-cash contributions)	2,920,791	-	-	-	-	-	-	-	-	-	-	-	-	2,920,791
Pledged contributions	2,611,601	-	-	-	-	-	-	-	-	-	-	-	-	2,611,601
Contributions & fundraising	2,994,590	-	-	-	-	-	-	-	-	-	-	-	-	2,994,590
Net investment income	51,201	6	-	4	28	31,058	748	-	1,233	151	-	4,160	(49,621)	38,968
Income from subsidiaries	96,337	-	-	-	-	-	-	-	-	-	-	-	(96,337)	-
Gain on sale of property	56,249	-	-	-	-	-	-	-	-	-	-	-	-	56,249
Other	248,763	-	-	-	-	-	34,573	7,383	-	-	35,326	16,431	-	342,476
Net assets released from program restrictions	573,668	-	-	-	-	-	-	-	-	-	-	-	-	573,668
Total revenues	<u>28,427,822</u>	<u>53,803</u>	<u>33,780</u>	<u>189,079</u>	<u>204,625</u>	<u>43,013</u>	<u>401,786</u>	<u>7,383</u>	<u>399,026</u>	<u>62,411</u>	<u>352,230</u>	<u>20,591</u>	<u>(270,936)</u>	<u>29,924,613</u>
EXPENSES														
Program services:														
Energy	1,077,026	-	-	-	-	-	-	-	-	-	-	-	-	1,077,026
Food and nutrition	4,738,571	-	-	-	-	-	-	-	-	-	-	-	-	4,738,571
Senior citizens	496,126	-	-	-	-	-	-	-	-	-	-	-	-	496,126
Community development	8,554,447	-	-	-	-	-	-	-	-	-	-	368	-	8,554,815
Economic and youth development	546,348	-	-	-	-	-	-	-	-	-	-	-	-	546,348
Housing	1,969,844	34,947	8,524	250,562	188,809	20	423,535	2,907	311,979	56,833	372,683	-	(177,767)	3,442,876
Early childhood education	1,980,674	-	-	-	-	-	-	-	-	-	-	-	-	1,980,674
Transportation	2,542,983	-	-	-	-	-	-	-	-	-	-	-	-	2,542,983
Total program services	<u>21,906,019</u>	<u>34,947</u>	<u>8,524</u>	<u>250,562</u>	<u>188,809</u>	<u>20</u>	<u>423,535</u>	<u>2,907</u>	<u>311,979</u>	<u>56,833</u>	<u>372,683</u>	<u>368</u>	<u>(177,767)</u>	<u>23,379,419</u>
Supporting services:														
Administration	1,063,464	-	-	-	-	-	-	-	-	-	-	-	-	1,063,464
Fundraising	646,749	-	-	-	-	-	-	-	-	-	-	-	-	646,749
Total supporting services	<u>1,710,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,710,213</u>
Total expenses	<u>23,616,232</u>	<u>34,947</u>	<u>8,524</u>	<u>250,562</u>	<u>188,809</u>	<u>20</u>	<u>423,535</u>	<u>2,907</u>	<u>311,979</u>	<u>56,833</u>	<u>372,683</u>	<u>368</u>	<u>(177,767)</u>	<u>25,089,632</u>
Change in net assets without donor restrictions	4,811,590	18,856	25,256	(61,483)	15,816	42,993	(21,749)	4,476	87,047	5,578	(20,453)	20,223	(93,169)	4,834,981
NET ASSETS WITH DONOR RESTRICTIONS														
Purpose or time restricted contributions	944,329	-	-	-	-	-	-	-	-	-	-	-	-	944,329
Perpetually restricted contributions	9,209	-	-	-	-	-	-	-	-	-	-	-	-	9,209
Net assets released from program restrictions	<u>(573,668)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(573,668)</u>
Change in net assets with donor restrictions	<u>379,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>379,870</u>
Change in total net assets	5,191,460	18,856	25,256	(61,483)	15,816	42,993	(21,749)	4,476	87,047	5,578	(20,453)	20,223	(93,169)	5,214,851
Net assets, beginning of year	<u>22,376,851</u>	<u>61,746</u>	<u>9,926</u>	<u>33,516</u>	<u>96,893</u>	<u>1,670,219</u>	<u>249,585</u>	<u>15,945</u>	<u>501,165</u>	<u>(56,662)</u>	<u>-</u>	<u>1,139,113</u>	<u>(2,615,816)</u>	<u>23,482,481</u>
Capital contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution to owner	-	-	(22,000)	-	-	-	-	-	-	-	-	(275,052)	297,052	-
Net assets, end of year	<u>\$ 27,568,311</u>	<u>\$ 80,602</u>	<u>\$ 13,182</u>	<u>\$ (27,967)</u>	<u>\$ 112,709</u>	<u>\$ 1,713,212</u>	<u>\$ 227,836</u>	<u>\$ 20,421</u>	<u>\$ 588,212</u>	<u>\$ (51,084)</u>	<u>\$ (20,453)</u>	<u>\$ 884,284</u>	<u>\$ (2,411,933)</u>	<u>\$ 28,697,332</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
For the Year Ended June 30, 2019

	HRDC	HRDC Colo. Apts.	HRDC West Edge	Cottages at Menicucci Square	Home Corporation	Miles Building, Inc.	Miles, LP	Darlington Apts., Inc.	Sherwood Inn Apts., Inc.	Summit Apts., Inc	BSV Rural Partners, LLC	Eliminations	Consolidated Total
NET ASSETS WITHOUT DONOR RESTRICTIONS													
REVENUES													
Contract revenue	\$ 912,272	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255,000	\$ (95,365)	\$ 1,071,907
Rental income	211,475	55,166	31,980	187,733	208,890	8,235	174,070	-	382,938	57,213	-	-	1,317,700
City/County/Local Government support	2,384,583	-	-	-	-	-	-	-	-	-	-	-	2,384,583
Sale of manufactured homes and condominiums	344,400	-	-	-	-	-	-	-	-	-	-	-	344,400
Contributions (including Fundraising):													
Grants:													
Federal	6,438,959	-	-	-	-	-	-	-	-	-	-	-	6,438,959
State	641,441	-	-	-	-	-	-	-	-	-	-	-	641,441
Private	305,447	-	-	-	-	-	-	-	-	-	-	-	305,447
Food (non-cash contributions)	3,164,087	-	-	-	-	-	-	-	-	-	-	-	3,164,087
Pledged contributions	585,720	-	-	-	-	-	-	-	-	-	-	-	585,720
Contributions & fundraising	1,794,979	-	-	-	-	-	-	-	-	-	-	-	1,794,979
Net investment income	94,751	5	-	4	20	47,922	486	-	2,366	114	8,320	(37,118)	116,870
(Loss) from subsidiaries	(26,310)	-	-	-	-	-	-	-	-	-	-	26,310	-
Gain on sale of property	196,401	-	-	-	-	-	-	-	-	-	-	-	196,401
Other	185,910	-	3,987	3,390	-	-	-	10,776	-	-	16,430	(33,786)	186,707
Net assets released from program restrictions	107,523	-	-	-	-	-	-	-	-	-	-	-	107,523
Total revenues	<u>17,341,638</u>	<u>55,171</u>	<u>35,967</u>	<u>191,127</u>	<u>208,910</u>	<u>56,157</u>	<u>174,556</u>	<u>10,776</u>	<u>385,304</u>	<u>57,327</u>	<u>279,750</u>	<u>(139,959)</u>	<u>18,656,724</u>
EXPENSES													
Program services:													
Energy	1,326,870	-	-	-	-	-	-	-	-	-	-	-	1,326,870
Food and nutrition	4,693,394	-	-	-	-	-	-	-	-	-	-	-	4,693,394
Senior citizens	526,825	-	-	-	-	-	-	-	-	-	-	-	526,825
Community development	909,714	-	-	-	-	-	-	-	-	-	67,554	-	977,268
Economic and youth development	398,509	-	-	-	-	-	-	-	-	-	-	-	398,509
Housing	1,669,276	49,280	2,488	277,242	192,293	2,503	203,268	222	370,539	103,770	-	(132,483)	2,738,398
Early childhood education	2,220,007	-	-	-	-	-	-	-	-	-	-	-	2,220,007
Transportation	2,343,930	-	-	-	-	-	-	-	-	-	-	-	2,343,930
Total program services	<u>14,088,525</u>	<u>49,280</u>	<u>2,488</u>	<u>277,242</u>	<u>192,293</u>	<u>2,503</u>	<u>203,268</u>	<u>222</u>	<u>370,539</u>	<u>103,770</u>	<u>67,554</u>	<u>(132,483)</u>	<u>15,225,201</u>
Supporting services:													
Administration	1,041,368	-	-	-	-	-	-	-	-	-	-	-	1,041,368
Fundraising	466,397	-	-	-	-	-	-	-	-	-	-	-	466,397
Total supporting services	<u>1,507,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,507,765</u>
Total expenses	<u>15,596,290</u>	<u>49,280</u>	<u>2,488</u>	<u>277,242</u>	<u>192,293</u>	<u>2,503</u>	<u>203,268</u>	<u>222</u>	<u>370,539</u>	<u>103,770</u>	<u>67,554</u>	<u>(132,483)</u>	<u>16,732,966</u>
Change in net assets without donor restrictions	1,745,348	5,891	33,479	(86,115)	16,617	53,654	(28,712)	10,554	14,765	(46,443)	212,196	(7,476)	1,923,758
NET ASSETS WITH DONOR RESTRICTIONS													
Purpose or time restricted contributions	2,862,207	-	-	-	-	-	-	-	-	-	-	-	2,862,207
Perpetually restricted contributions	100,372	-	-	-	-	-	-	-	-	-	-	-	100,372
Net assets released from program restrictions	<u>(107,523)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(107,523)</u>
Change in net assets with donor restrictions	<u>2,855,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,855,056</u>
Change in total net assets	4,600,404	5,891	33,479	(86,115)	16,617	53,654	(28,712)	10,554	14,765	(46,443)	212,196	(7,476)	4,778,814
Net assets, beginning of year	17,776,447	70,855	1,077	231	80,276	1,616,565	-	5,391	486,400	(10,219)	926,917	(2,250,273)	18,703,667
Capital contribution	-	-	-	-	-	-	278,297	-	-	-	-	(278,297)	-
Distribution to owner	-	(15,000)	(24,630)	119,400	-	-	-	-	-	-	-	(79,770)	-
Net assets, end of year	<u>\$ 22,376,851</u>	<u>\$ 61,746</u>	<u>\$ 9,926</u>	<u>\$ 33,516</u>	<u>\$ 96,893</u>	<u>\$ 1,670,219</u>	<u>\$ 249,585</u>	<u>\$ 15,945</u>	<u>\$ 501,165</u>	<u>\$ (56,662)</u>	<u>\$ 1,139,113</u>	<u>\$ (2,615,816)</u>	<u>\$ 23,482,481</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
THE HOME CORPORATION
SCHEDULES OF FINANCIAL POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (net of reserved cash)	\$ 44,122	\$ 22,868
Accounts receivable (net of allowance of \$-0- and \$12,000, respectively)	88	293
Prepaid assets	<u>1,006</u>	<u>964</u>
Total current assets	<u>45,216</u>	<u>24,125</u>
PROPERTY AND EQUIPMENT		
Land	193,094	193,094
Buildings and improvements	1,558,503	1,558,503
Accumulated depreciation	<u>(1,220,690)</u>	<u>(1,168,740)</u>
Total property and equipment	<u>530,907</u>	<u>582,857</u>
OTHER ASSETS		
Cash reserved for tenant deposits	16,101	15,898
Cash reserved for replacements	38,731	26,724
Cash reserved for taxes and insurance	<u>78,079</u>	<u>59,465</u>
Total other assets	<u>132,911</u>	<u>102,087</u>
Total assets	<u>\$ 709,034</u>	<u>\$ 709,069</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Operating accounts payable	\$ 14,492	\$ 9,277
Accrued liabilities	2,881	2,917
Rent deposits	17,558	16,956
Current portion of long-term debt	<u>21,464</u>	<u>21,464</u>
Total current liabilities	<u>56,395</u>	<u>50,614</u>
LONG TERM LIABILITIES		
Long-term debt, net of current portion	<u>539,930</u>	<u>561,562</u>
Total liabilities	<u>596,325</u>	<u>612,176</u>
NET ASSETS		
Without donor restrictions		
Undesignated	<u>112,709</u>	<u>96,893</u>
Total liabilities and net assets without donor restrictions	<u>\$ 709,034</u>	<u>\$ 709,069</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 THE HOME CORPORATION
 SCHEDULES OF ACTIVITIES
 For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
UNRESTRICTED REVENUES		
Rental income	\$ 202,707	\$ 208,222
Tenant fees	1,890	668
Interest income	<u>28</u>	<u>20</u>
Total revenues	<u>204,625</u>	<u>208,910</u>
EXPENSES		
Administration		
Advertising and leasing	247	263
Bank and misc fees	962	88
Bookkeeping fees	4,183	3,244
Legal and accounting	800	999
Management fee	18,396	19,337
Office supplies	1,065	666
Professional fees	1,750	-
Operating and maintenance		
Bad debts	1,376	(4,651)
Contract on-site manager	10,633	14,765
Depreciation	51,950	51,950
Insurance	3,353	2,957
Interest	22,594	25,255
Key replacement	70	-
Maintenance and supplies	33,912	35,987
Pest control	-	1,393
Property taxes	1,720	1,923
Repairs	1,380	1,114
Snow plowing and lawn care	15,041	19,383
Utilities, phone, garbage	<u>19,377</u>	<u>17,620</u>
Total expenses	<u>188,809</u>	<u>192,293</u>
Change in net assets	15,816	16,617
Net assets without donor restrictions, beginning of year	<u>96,893</u>	<u>80,276</u>
Net assets without donor restrictions, end of year	<u>\$ 112,709</u>	<u>\$ 96,893</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
THE HOME CORPORATION
SCHEDULES OF CASH FLOWS
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tenants	\$ 204,802	\$ 211,233
Cash received for interest	28	20
Cash paid for management and bookkeeping	(1,209)	(22,581)
Cash paid for property operations	(114,873)	(96,996)
Cash paid for interest	<u>(15,041)</u>	<u>(25,255)</u>
Net cash flows from operating activities	<u>73,707</u>	<u>66,421</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid on loan principal	<u>(21,629)</u>	<u>(20,933)</u>
Net cash flows from financing activities	<u>(21,629)</u>	<u>(20,933)</u>
Net change in cash and cash equivalents	52,078	45,488
Cash and cash equivalents, beginning of year	<u>124,955</u>	<u>79,467</u>
Cash and cash equivalents, end of year	<u><u>\$ 177,033</u></u>	<u><u>\$ 124,955</u></u>
Reconciliation to Statements of Financial Position		
Cash and cash equivalents	\$ 44,122	\$ 22,868
Cash reserves	<u>132,911</u>	<u>102,087</u>
	<u><u>\$ 177,033</u></u>	<u><u>\$ 124,955</u></u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 15,816	\$ 16,617
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	51,950	51,950
Change in operating assets and liabilities:		
Accounts receivable	205	2,343
Prepaid expenses	(42)	(964)
Accounts payable	5,179	(4,758)
Rent deposits	<u>599</u>	<u>1,233</u>
Net cash flows from operating activities	<u><u>\$ 73,707</u></u>	<u><u>\$ 66,421</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SHERWOOD INN APARTMENTS, INC.
SCHEDULES OF FINANCIAL POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (net of reserved cash)	\$ 65,836	\$ 13,998
Accounts receivable (net of allowance of \$500)	1,015	2,011
Prepaid expenses	<u>2,768</u>	<u>4,049</u>
Total current assets	<u>69,619</u>	<u>20,058</u>
PROPERTY AND EQUIPMENT		
Land	59,562	59,562
Furniture and fixtures	77,701	77,701
Buildings and improvements	1,277,660	1,277,660
Accumulated depreciation	<u>(751,995)</u>	<u>(706,979)</u>
Total property and equipment	<u>662,928</u>	<u>707,944</u>
OTHER ASSETS		
Cash reserved for tenant deposits	13,266	13,144
Cash reserved for replacements	<u>315,314</u>	<u>271,562</u>
Total other assets	<u>328,580</u>	<u>284,706</u>
Total assets	<u>\$ 1,061,127</u>	<u>\$ 1,012,708</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Operating accounts payable	14,310	\$ 13,213
Accrued interest	2,656	1,809
Rent deposits	13,148	13,358
Current portion of long-term debt	<u>40,507</u>	<u>40,507</u>
Total current liabilities	<u>70,621</u>	<u>68,887</u>
LONG TERM LIABILITIES		
Long-term debt, net of current portion	<u>402,294</u>	<u>442,656</u>
Total liabilities	<u>472,915</u>	<u>511,543</u>
NET ASSETS		
Without donor restrictions		
Undesignated	<u>588,212</u>	<u>501,165</u>
Total liabilities and net assets without donor restrictions	<u>\$ 1,061,127</u>	<u>\$ 1,012,708</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SHERWOOD INN APARTMENTS, INC.
 SCHEDULES OF ACTIVITIES
 For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
UNRESTRICTED REVENUES		
Rental income	\$ 394,649	\$ 378,561
Tenant fees	3,144	4,377
Interest income	<u>1,233</u>	<u>2,366</u>
Total revenues	<u>399,026</u>	<u>385,304</u>
EXPENSES		
Administration		
Accounting fees	8,578	7,171
Advertising and leasing	636	867
Bank and misc fees	66	30
Legal and accounting	1,343	4,789
Management fee	32,055	30,891
Office supplies	8,418	4,293
Operating and maintenance		
Contract management	38,975	46,523
Depreciation	45,017	45,017
Insurance	7,349	6,499
Interest	12,550	13,604
Maintenance and supplies	57,912	118,518
Pest control	10	4
Repairs	24,237	17,495
Snow plowing and lawn care	4,709	6,298
Utilities, phone, garbage	<u>70,124</u>	<u>68,540</u>
Total expenses	<u>311,979</u>	<u>370,539</u>
Change in net assets	87,047	14,765
Net assets without donor restrictions, beginning of year	<u>501,165</u>	<u>486,400</u>
Net assets without donor restrictions, end of year	<u><u>\$ 588,212</u></u>	<u><u>\$ 501,165</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SHERWOOD INN APARTMENTS, INC.
SCHEDULES OF CASH FLOWS
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tenants	\$ 398,789	\$ 381,561
Cash received for interest	1,233	2,366
Cash paid for management	(8,578)	(30,891)
Cash paid for property operations	(251,508)	(294,778)
Cash paid for interest	<u>(3,862)</u>	<u>(12,851)</u>
Net cash flows from operating activities	<u>136,074</u>	<u>45,407</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for property and equipment	<u>-</u>	<u>(2,559)</u>
Net cash flows from investing activities	<u>-</u>	<u>(2,559)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid on loan principal	<u>(40,362)</u>	<u>(39,216)</u>
Net cash flows from financing activities	<u>(40,362)</u>	<u>(39,216)</u>
Net change in cash and cash equivalents	95,712	3,632
Cash and cash equivalents, beginning of year	<u>298,704</u>	<u>295,072</u>
Cash and cash equivalents, end of year	<u>\$ 394,416</u>	<u>\$ 298,704</u>
Reconciliation to Statements of Financial Position		
Cash and cash equivalents	\$ 65,836	\$ 13,998
Cash reserves	<u>328,580</u>	<u>284,706</u>
	<u>\$ 394,416</u>	<u>\$ 298,704</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 87,047	\$ 14,765
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	45,017	45,017
Change in operating assets and liabilities:		
Accounts receivable	996	(1,377)
Prepaid expenses	1,281	(1,835)
Accounts payable	1,097	(12,678)
Accrued interest	847	753
Rent deposits	<u>(211)</u>	<u>762</u>
Net cash flows from operating activities	<u>\$ 136,074</u>	<u>\$ 45,407</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
UNRESTRICTED CORPORATE FUNDS
SCHEDULES OF FINANCIAL POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash - operating savings	\$ 153,887	\$ 153,238
Cash - operating checking	966,003	554,209
Less: cash currently committed to HRDC capital projects	<u>(799,570)</u>	<u>(1,030,086)</u>
Unrestricted corporate cash available	320,320	(322,639)
Investments in marketable securities	393,304	388,242
Accounts receivable	3,047	3,350
Interest receivable	1,198	1,291
Prepaid expense	9,696	9,696
Escrow account	-	10,000
Loans receivable	303,394	327,498
Intercompany loans receivable	1,935,573	2,133,833
Investment in subsidiaries	650,185	650,185
Buildings	535,365	500,397
Land	56,267	56,267
Accumulated depreciation	<u>(240,378)</u>	<u>(216,066)</u>
Total assets	<u><u>\$ 3,967,971</u></u>	<u><u>\$ 3,542,054</u></u>
LIABILITIES		
Accounts payable	\$ 15,499	\$ 25,094
Rental deposits	675	675
Loan payable	188,365	198,628
Intercompany loans payable	<u>164,307</u>	<u>166,755</u>
Total liabilities	<u><u>368,846</u></u>	<u><u>391,152</u></u>
NET ASSETS		
Net assets, beginning of fiscal year	3,150,902	3,214,669
Change in net assets, current year	<u>448,223</u>	<u>(63,767)</u>
Total net assets	<u><u>3,599,125</u></u>	<u><u>3,150,902</u></u>
Total liabilities and net assets	<u><u>\$ 3,967,971</u></u>	<u><u>\$ 3,542,054</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
UNRESTRICTED CORPORATE FUNDS
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
REVENUE		
Donations - unrestricted (HRDC Greatest Needs)	\$ 629,650	\$ 261,335
Fundraising income - unrestricted (HRDC Greatest Needs)	105,510	79,411
Rent income	45,300	56,118
Partnership distribution income	8,466	7,516
Loan interest income	7,303	8,328
Investment interest income	2,708	13,007
Realized and unrealized gain on investments	<u>8,427</u>	<u>27,474</u>
Total revenues	<u>807,364</u>	<u>453,189</u>
EXPENSES		
Salaries and fringe	342,747	231,652
Admin.service cost allocations	51,737	44,717
Bad debt expense	-	6,844
Business meals/meetings	2,596	4,341
Contract services	47,887	13,572
Depreciation expense	24,312	24,312
Dues	3,320	9,411
Equipment and supplies	12,297	22,282
Fundraising expense	11,722	8,291
Insurance	5,494	5,188
Interest expense	14,692	11,942
Investment management fees	3,365	3,267
Janitorial expense	4,972	6,160
Legal	450	628
Other	7,490	8,222
Outreach/advertising/public relations	17,421	40,203
Property management	2,400	2,500
Property taxes	508	1,356
Recognition	7,196	10,723
Repairs and maintenance	2,648	8,408
Software	16,117	7,588
Space	16,547	11,740
Travel/training	6,563	10,663
Utilities	<u>5,298</u>	<u>7,392</u>
Total expenses	<u>607,779</u>	<u>501,402</u>
REVENUE OVER/(UNDER) EXPENSES	199,585	(48,213)
Transfers in	877,564	346,758
Transfers out	(628,926)	(362,312)
Net assets, beginning of fiscal year	<u>3,150,902</u>	<u>3,214,669</u>
Net assets, end of fiscal year	<u>\$ 3,599,125</u>	<u>\$ 3,150,902</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

WEATHERIZATION ASSISTANCE

Grant Period: July 1, 2018 to September 30, 2019 - LIEAP

Grant Number: DPHHS 18-028-16007-0

	----LIEAP----	
	Budget	Actual
REVENUE		
Grant	\$ 401,531	370,158
Total Revenue	<u>\$ 401,531</u>	<u>370,158</u>
EXPENSES		
Administration	\$ 40,153	40,153
Program Support	361,378	361,378
Total Expenses	<u>\$ 401,531</u>	<u>401,531</u>
Revenue Over/Under Expenses	<u>\$ -</u>	-
Transfer In		\$ -
Net Assets at July 1, 2018		<u>\$ 0</u>
Net Assets at September 30, 2019		<u><u>\$ 0</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

WEATHERIZATION ASSISTANCE

Grant Period: July 1, 2019 to June 30, 2020 - DOE

Grant Number: DPHHS 19-028-30027-0

	----DEPT OF ENERGY----	
	Budget	Actual
REVENUE		
Grant	\$ 208,648	185,482
Total Revenue	<u>\$ 208,648</u>	<u>185,482</u>
EXPENSES		
Administration	\$ 22,996	14,049
Program Operations	143,268	134,171
Liability Insurance	200	113
Financial Audit	1,000	1,176
Training & Technical Assistance	17,000	19,153
Health & Safety	24,184	16,821
Total Expenses	<u>\$ 208,648</u>	<u>185,482</u>
Revenue over/under expenses	<u>\$ -</u>	-
Transfer In		\$ -
Net Assets at July 1, 2019		<u>\$ 0</u>
Net Assets at June 30, 2020		<u>\$ 0</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

LIEAP ADMINISTRATION PROGRAM

Grant Period: October 1, 2017 to September 30, 2019 - ADMIN

Grant Number: DPHHS 18-028-13007-0

	----LIEAP ADMIN----	
	Budget	Actual
REVENUE		
Grant	\$ 73,205	73,205
Total Revenue	<u>\$ 73,205</u>	<u>73,205</u>
EXPENSES	\$ 73,205	
Salaries and Fringe Benefits		61,588
Supplies		850
Communication		1,520
Space Costs		3,607
Travel		871
Office Costs		4,769
Direct Services		0
Total Expenses	<u>\$ 73,205</u>	<u>73,205</u>
Revenue Over/Under Expenses		\$ (0)
Net Assets at October 1, 2017		<u>\$ 0</u>
Net Assets at September, 2019		<u><u>\$ 0</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

LOW INCOME ENERGY ASSISTANCE PROGRAM

Grant Period: November 1, 2018 to November 13, 2019 - Contingency Revolving Fund (CRF)

Grant Number: DPHHS 19-028-13007-0

	-----LIEAP CRF-----
	<u>Actual</u>
REVENUE	
Grant	<u>\$ 170,864</u>
Total Revenue	<u>\$ 170,864</u>
 EXPENSES	
Direct Services	<u>\$ 170,864</u>
Total Expenses	<u>\$ 170,864</u>
 Revenue Over/Under Expenses	 \$ -
 Net Assets at November 1, 2018	 <u>\$ 0</u>
 Net Assets at November 13, 2019	 <u><u>\$ 0</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

LIEAP CLIENT EDUCATION & OUTREACH PROGRAM

Grant Period: October 1, 2017 to September 30, 2019 - CLIENT ED
October 1, 2017 to September 30, 2019 - OUTREACH

Grant Numbers: DPHHS 18-028-13007-0
DPHHS 18-028-15057-0

	----CLIENT ED----		----OUTREACH----	
	Budget	Actual	Budget	Actual
REVENUE				
Grant	\$ 32,807	32,807	52,630	52,630
Total Revenue	<u>\$ 32,807</u>	<u>32,807</u>	<u>52,630</u>	<u>52,630</u>
EXPENSES				
Salaries & Fringe Benefits	26,284	30,806	44,455	42,624
Communications	3,714	214		175
Space Costs	1,809	1,695	3,000	2,193
Travel	1,000	0	1,000	511
Office Costs		92	4,174	7,126
Total Expenses	<u>\$ 32,807</u>	<u>32,807</u>	<u>52,630</u>	<u>52,630</u>
Revenue Over/Under Expenses		\$ 0		0
Net Assets at October 1, 2017		<u>\$ 0</u>		<u>0</u>
Net Assets at September 30, 2019		<u>\$ 0</u>		<u>0</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

NORTHWESTERN ENERGY WEATHERIZATION PROGRAM

Grant Period: January 1, 2019 to December 10, 2019

Grant Number: DPHHS 19-028-33007-0

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 359,966	359,966
Total Revenue	<u>\$ 359,966</u>	<u>359,966</u>
EXPENSES		
NWE Program Overhead	\$ 125,988	124,113
NWE Program Operations	233,978	236,971
Total Expenses	<u>\$ 359,966</u>	<u>361,084</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(1,118)
Transfer In		\$ 1,118
Net Assets at January 1, 2019		<u>\$ 0</u>
Net Assets at December 10, 2019		<u><u>\$ 0</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

ENERGY SHARE

Grant Period: July 1, 2019 to June 30, 2020

Grant Number: FY 2019-2020

	<u>Actual</u>
REVENUE	
General Energy Funds	\$ 2,606
USB Funds	28,317
Energy Deposits	3,765
TEAM: Temporary Energy Assist for Minor Needs	254
TEAM: Deposits	335
Water Heater	1,339
Administrative Funds	6,904
Donations	815
Total Revenues	<u>\$ 44,336</u>
EXPENSES	
Energy Assistance	\$ 3,123
Energy Assistance - USB	28,317
Energy Assistance - Deposits	3,765
Energy Assistance - TEAM	254
Energy Assistance - TEAM Deposits	335
Energy Assistance - Water Heater	1,339
Administration	22,853
Total Expenses	<u>\$ 59,986</u>
Revenue Over/Under Expenses	\$ (15,650)
Transfer In/Out	\$ 0
Net Assets at July 1, 2019	<u>\$ 29,124</u>
Net Assets at June 30, 2020	<u><u>\$ 13,474</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
 SUPPLEMENTAL SCHEDULE
 SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

SUPPLEMENTAL WEATHERIZATION ASSISTANCE

Grant Period: July 1, 2019 to June 30, 2020 - ESOM

	<u>Actual</u>
REVENUE	
Energy Share Fees/Reimb	\$ 2,664
Contract Income	<u>400</u>
Total Revenue	<u>\$ 3,064</u>
EXPENSES	
Labor and Materials	\$ 2,044
Subcontractor Services	<u>540</u>
Total Expenses	<u>\$ 2,584</u>
Revenue over/under expenses	\$ 480
Net Assets at July 1, 2019	<u>\$ 0</u>
Net Assets at June 30, 2020	<u><u>\$ 480</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

LISC

Grant Period: October 1, 2017 to September 30, 2019 - LISC

Grant Number: 41189-0038

	----LISC----	
	Budget	Actual
REVENUE		
Grant	\$ 39,500	39,500
Total Revenue	<u>\$ 39,500</u>	<u>39,500</u>
EXPENSES		
Salaries and Fringe Benefits	27,000	25,628
Travel and Training	\$ 9,500	7,396
Administration	3,000	8,896
Total Expenses	<u>\$ 39,500</u>	<u>41,920</u>
Revenue Over/Under Expenses	<u>\$ -</u>	<u>(2,420)</u>
Transfer In		\$ 2,420
Net Assets at October 1, 2017		<u>\$ 0</u>
Net Assets at September 30, 2019		<u>\$ (0)</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HEALTHY HOUSING HOUSING FIRST VILLAGE

Grant Period: July 1, 2018 to September 30, 2019 - LISC

Grant Number: 41189-0040

	----LISC----	
	Budget	Actual
REVENUE		
Grant	\$ 16,830	16,830
Total Revenue	<u>\$ 16,830</u>	<u>16,830</u>
EXPENSES		
Salaries and Fringe Benefits	15,000	15,995
Administration	\$ 1,830	1,668
Total Expenses	<u>\$ 16,830</u>	<u>17,663</u>
Revenue Over/Under Expenses	<u>\$ -</u>	<u>(833)</u>
Transfer In		\$ 833
Net Assets at July 1, 2018		<u>\$ 0</u>
Net Assets at September 30, 2019		<u><u>\$ 0</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

BRIDGES TO CAREER OPPORTUNITIES

Grant Period: February 1, 2019 to December, 31 2019

Grant Number: 41189-0042

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 30,000	30,000
Total Revenue	<u>\$ 30,000</u>	<u>30,000</u>
EXPENSES		
Salary and Fringe Benefits	27,273	31,622
Administration	\$ 2,727	1,506
Total Expenses	<u>\$ 30,000</u>	<u>33,128</u>
Revenue Over/Under Expenses	<u>\$ -</u>	<u>(3,128)</u>
Transfer Out		\$ 3,128
Net Assets at February 1, 2019		<u>\$ 0</u>
Net Assets at December 31, 2019		<u>\$ 0</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

SECTION 8 HOUSING PROGRAM

Grant Period: July 1, 2019 to June 30, 2020

Grant Number: MT DOC 20-745-0006
NeighborWorks Montana (NWMT)

	<u>Actual</u>
REVENUE	
MDOC Contract Income	\$ 201,658
NWMT Contract Income	2,023
Other Income	0
Total Revenue	<u>\$ 203,681</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 156,909
Travel & Training	4,187
Space	11,382
Office Costs	8,902
Insurance	1,370
Communications	1,274
Ready to Rent Program	-
Housing Assistance Payments	8,255
Other	911
Total Expenses	<u>\$ 193,190</u>
Revenue Over/Under Expenses	\$ 10,491
Net Assets at July 1, 2019	<u>\$ 35,812</u>
Net Assets at June 30, 2020	<u><u>\$ 46,303</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HUD EMERGENCY SHELTER GRANTS PROGRAM

Grant Period: August 1, 2018 to July 31, 2019

Grant Number: DPHHS 18-028-51007-0

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 64,667	64,667
Total Revenue	<u>\$ 64,667</u>	<u>64,667</u>
EXPENSES		
Prevention of Homelessness - Security Deposits	\$ 3,250	3,250
Prevention of Homelessness - Rental Assistance	5,283	5,283
Prevention of Homelessness - Rental Assistance Medium	566	566
Prevention of Homelessness - Rental Assistance Arrears	9,696	9,696
Prevention of Homelessness - Rental Assistance Medium Term Arrears	-	-
Prevention of Homelessness - Housing Search & Placement	7,181	13,407
Homeless Services - Security Deposits	13,373	13,373
Homeless Services - Rental Assistance	8,640	8,640
Homeless Services - Rental Assistance Medium Term	1,881	1,881
Homeless Services - Rental Assistance Arrears	0	0
Homeless Services - Housing Search & Placement	11,101	14,524
Administration	3,696	7,306
Total Expenses	<u>\$ 64,667</u>	<u>77,926</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(13,259)
Transfer In		\$ 13,259
Net Assets at August 1, 2018		<u>\$ 0</u>
Net Assets at July 31, 2019		<u>\$ 0</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HOME TO STAY - EMERGENCY SERVICES

Report Period: July 1, 2019 to June 30, 2020

Grant Number: MT HomeOwnership Network (MHN) / NeighborWorks MT (NWMT)
April 1, 2019 to March 31, 2020

	<u>Actual</u>
REVENUE	
Private Grant Revenue	\$ 35,000
United Way	21,000
Donations	5,386
MHN / NWMT	31,761
Total Revenues	<u>\$ 93,146</u>
EXPENSES	
Prevention of Homelessness	\$ 12,833
Homeless Services	0
Salaries & Fringe Benefits	74,165
Supportive Services	4,292
Office Expenses	13,510
Total Expenses	<u>\$ 104,801</u>
Revenue Over/Under Expenses	\$ (11,654)
Transfer In	\$ 32,126
Paycheck Protection Program Loan Proceeds	1,374
Transfer Out	\$ (15,755)
Net Assets at July 1, 2019	<u>\$ -</u>
Net Assets at June 30, 2020	<u><u>\$ 6,091</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FEDERAL EMERGENCY MANAGEMENT AGENCY

Grant Period: July 1, 2019 to June 30, 2020

Grant Number: LRO 556000-003 Phase 35 Food
LRO 556000-002 Phase 35 Gallatin County Housing
LRO 559600-008 Phase 35 Park County Housing

	Food Bank Actual	Gallatin County Housing Actual	Park County Housing Actual
REVENUE			
Grant	\$ 18,835	19,605	3,236
Total Revenue	<u>\$ 18,835</u>	<u>19,605</u>	<u>3,236</u>
EXPENSES			
Preventative & Homeless Services	\$ 0	19,605	3,236
Food Expense	\$ 18,835	0	0
Total Expenses	<u>\$ 18,835</u>	<u>19,605</u>	<u>3,236</u>
Revenue Over/Under Expenses	\$ 0	(0)	(0)
Transfer Out	\$ -	-	-
Net Assets at July 1, 2019	<u>\$ 0</u>	<u>0</u>	<u>0</u>
Net Assets at June 30, 2020	<u><u>\$ 0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

RYAN WHITE PART B HIV CARE

Grant Period: October 1, 2018 to September 29, 2019

Grant Number: 17-07-4-51-310-0

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Grant	\$ 33,885	33,885
Total Revenues	<u>\$ 33,885</u>	<u>33,885</u>
EXPENSES		
Rental Assistance		\$ 30,066
Security Deposit Assistance		0
Case Management		2,248
Administration		1,713
Total Expenses		<u>\$ 34,027</u>
Revenue Over/Under Expenses		\$ (142)
Transfer In/Out		\$ 142
Net Assets at October 1, 2018		<u>\$ 0</u>
Net Assets at September 29, 2019		<u><u>\$ 0</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

PARTNERSHIPS FOR PERMANENTLY SUPPORTIVE HOUSING

Grant Period: November 1, 2018 to December, 31 2019

Grant: Montana Healthcare Foundation

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 60,000	43,073
Total Revenue	<u>\$ 60,000</u>	<u>43,073</u>
EXPENSES		
Salary and Fringe Benefits	35,000	17,239
Program Operations	\$ 25,000	25,000
Total Expenses	<u>\$ 60,000</u>	<u>42,239</u>
Revenue Over/Under Expenses	<u>\$ -</u>	<u>833</u>
Transfer Out		\$ (833)
Net Assets at November 1, 2018		<u>\$ 0</u>
Net Assets at December 31, 2019		<u><u>\$ 0</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

RAPID RE-HOUSING

Grant Period: July 1, 2019 to June 30, 2020

Grant Number: HUD MT0055L8T001803

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 110,353	110,353
Donations		400
Total Revenues	<u>\$ 110,353</u>	<u>110,753</u>
EXPENSES	\$ 110,353	
Rental Assistance		84,586
Security Deposit Assistance		8,619
Case Management		9,151
Administration		10,750
Total Expenses	<u>\$ 110,353</u>	<u>113,106</u>
Revenue Over/Under Expenses		\$ (2,353)
Transfer In		\$ 2,353
Net Assets at July 1, 2019		<u>\$ 0</u>
Net Assets at June 30, 2020		<u><u>\$ 0</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

WARMING CENTER

Report Period: July 1, 2019 to June 30, 2020

	<u>Actual</u>
REVENUE	
Donations	\$ 343,651
City of Bozeman	25,000
Fund Raising	39,225
Rental Income	12,100
Total Revenues	<u>\$ 419,976</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 260,578
Contract Services	1,108
Rent	79,100
Travel & Training	6,555
Supplies	6,058
Communications	1,649
Office Costs	7,640
Equipment	4,814
Supportive Services	6,607
Other	3,600
Utilities	12,523
Maintenance & Repairs	4,658
Fund Raising	2,007
Insurance	3,916
Advertising	-
Audit	1,472
Total Expenses	<u>\$ 402,284</u>
Revenue Over/Under Expenses	\$ 17,691
Transfer In/Out	(29,121)
Paycheck Protection Program	7,221
Net Assets at July 1, 2019	<u>\$ 47,889</u>
Net Assets at June 30, 2020	<u><u>\$ 43,680</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

LIVINGSTON WARMING CENTER - PILOT

Report Period: July 1, 2019 to June 30, 2020

	<u>Actual</u>
REVENUE	
Donations	\$ 41,959
Private Grant Revenue	11,000
United Way Income	5,000
Fundraising	257
Total Revenues	<u>\$ 58,216</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 55,679
Rent	9,875
Travel & Training	1,469
Supplies	418
Communications	963
Office Costs	1,991
Other	195
Utilities	940
Maintenance & Repairs	535
Fund Raising	310
Insurance	620
Advertising	144
Audit	362
Total Expenses	<u>\$ 73,501</u>
Revenue Over/Under Expenses	\$ (15,285)
Transfer In	\$ 15,285
Net Assets at July 1, 2019	<u>\$ 0</u>
Net Assets at June 30, 2020	<u><u>\$ 0</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

GALLATIN VALLEY FOOD BANK

Report Period: July 1, 2019 to June 30, 2020

	<u>Actual</u>
REVENUE	
Contributions:	
Food *	\$ 2,797,928
United Way	2,000
Gallatin County Senior Mill Levy	10,500
Other	1,295,310
Fund Raising	176,229
Senior Food Contract Income	-
Other Grant Revenue	10,800
Other Income	8,290
Total Revenues	<u>\$ 4,301,058</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 511,083
Travel & Training	1,863
Warehouse Space	11,486
Communication	3,416
Utilities, Garbage, Snow Removal	14,965
Fund Raising	13,558
Outreach/Public Relations	1,689
Vehicle	5,305
Repairs & Maintenance	10,738
Supplies	10,213
Insurance	15,107
Food Purchases	57,013
Food Distributions *	2,706,564
Office costs	17,716
Audit	2,435
Interest Expense	3,422
Meat Processing	-
Senior Food Program	-
Depreciation Expense	29,523
Other	9,746
Total Expenses	<u>\$ 3,425,843</u>
Revenue Over/Under Expenses	\$ 875,215
Transfer Out	(35,000)
Net Assets at July 1, 2019	<u>\$ 792,973</u>
Net Assets at June 30, 2020	<u>\$ 1,633,188</u>

* Food Contributions In-Kind valued at \$1.62 per pound

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

GALLATIN VALLEY FOOD BANK - SENIOR CFSP

Report Period: October 1, 2018 to September 30, 2019

Grant Number: DPHHS 19-027-21002-0

	<u>Actual</u>
REVENUE	
Fund Raising	500
Senior Food Contract Income	219,923
Other Grant Revenue	-
Other Income	-
Contributions	6,108
Total Revenues	<u>\$ 226,531</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 15,902
Fund Raising	34
Supplies	218
Insurance	105
Food Purchases	1,680
Food Distributions *	203,402
Office costs	710
Audit	310
Other	472
Total Expenses	<u>\$ 222,831</u>
Revenue Over/Under Expenses	\$ 3,700
Net Assets at October 1, 2018	<u>\$ 16,408</u>
Net Assets at September 30, 2019	<u>\$ 20,108</u>

* Food Contributions In-Kind valued at \$1.62 per pound

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FORK AND SPOON HOMESTYLE KITCHEN

Report Period: July 1, 2019 to June 30, 2020

	<u>Actual</u>
REVENUES	
Donations	\$ 143,113
Meals Service (Net of Discounts)	54,824
Catering & Space Rental	123,989
City of Bozeman Support	25,000
Fund Raising	66,912
Private Grant	4,300
Kitchen Rental Fees	2,762
Catering Private Grant	5,845
Total Revenues	<u>\$ 426,745</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 337,763
Contract Services	2,859
Parking Lot Space	13,200
Travel & Training	4,355
Communications	2,634
Utilities, Garbage, Grounds Maintenance	31,000
Fund Raising	7,751
Outreach/Public Relations	5,445
Vehicle	1,371
Equipment	-
Repairs & Maintenance	7,760
Supplies	17,776
Insurance	5,859
Food Purchases	84,962
Office Costs	6,776
Audit	3,528
Interest Expense	7,322
Depreciation Expense	11,880
Other	12,509
Total Expenses	<u>\$ 564,749</u>
Revenue Over/Under Expenses	\$ (138,004)
Transfers In	
From: Summer Lunch	\$ 5,099
HRDC Unrestricted Donations (Greatest Need)	\$ 43,846
Paycheck Protection Program Loan Proceeds	\$ 69,059
GVFB	\$ 20,000
Net Assets at July 1, 2019	<u>\$ (230,858)</u>
Net Assets at June 30, 2020	<u>\$ (230,858)</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HEALTHY KIDSPACK PROGRAM

Report Period: July 1, 2019 to June 30, 2020

	<u>Actual</u>
REVENUE	
Private Grant Revenue	\$ 2,000
Fund Raising	18,458
Donations	40,223
Restricted Donations	10,000
Total Revenues	<u>\$ 70,681</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 16,361
Travel and Training	591
Fund Raising	1,449
Outreach	-
Supplies	56
Insurance	169
Food Purchases	40,700
Office Costs	613
Audit	355
Other	-
Total Expenses	<u>\$ 60,295</u>
Revenue Over/Under Expenses	\$ 10,386
Paycheck Protection Program Loan Proceeds	\$ 2,261
Net Assets at July 1, 2019	<u>\$ 58,916</u>
Net Assets at June 30, 2020	<u><u>\$ 71,563</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

SUMMER LUNCH PROGRAM

Grant Period: October 1, 2018 to September 30, 2019

Grant Number: MT OPI 16-6512

	<u>Actual</u>
REVENUE	
Summer Lunch Contract Income	\$ 91,373
Donations	614
Other Income	-
Private Grant	2,400
Total Revenue	<u>\$ 94,387</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 43,695
Vehicle	799
Travel & Training	1,741
Supplies	1,734
Office Costs	2,847
Food Purchases	38,471
Total Expenses	<u>\$ 89,287</u>
Revenue Over/Under Expenses	\$ 5,099
Transfer Out	\$ (5,099)
Net Assets at October 1, 2018	<u>\$ -</u>
Net Assets at September 30, 2019	<u><u>\$ (0)</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HEADWATERS AREA FOOD BANK

Report Period: July 1, 2019 to June 30, 2020

	<u>Actual</u>
REVENUE	
Contributions:	
Food *	\$ 81,433
United Way	2,500
Other	91,030
Private Grant	-
Building Fund	11,310
Fund Raising	6,389
Total Revenues	<u>\$ 192,661</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 44,590
Travel & Training	107
Communications	1,906
Rent	1,200
Utilities, Garbage, Snow Removal	3,561
Fund Raising	3,241
Vehicle	988
Repairs & Maintenance	850
Insurance	2,066
Food Purchases	2,081
Food Distributions *	84,850
Office Costs	2,341
Audit	769
Other	1,763
Total Expenses	<u>\$ 150,313</u>
Revenue Over/Under Expenses	\$ 42,349
Transfer In	\$ 29,000
Paycheck Protection Program Loan Proceeds	\$ 12,980
Net Assets July 1, 2019	<u>\$ 50,751</u>
Net Assets at June 30, 2020	<u><u>\$ 135,080</u></u>

* Food Contributions In-Kind valued at \$1.62 per pound

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

BIG SKY COMMUNITY FOOD BANK

Report Period: July 1, 2019 to June 30, 2020

	<u>Actual</u>
REVENUE	
Contributions:	
Food *	\$ 60,667
United Way	-
Big Sky Resort Tax	26,296
Other	145,168
Private Grant	17,509
Fund Raising	6,187
Total Revenues	<u>\$ 255,828</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 55,296
Travel & Training	0
Communications	1,254
Space Rental	18,900
Utilities, Garbage, Snow Removal	3,150
Fund Raising	2,488
Outreach/Public Relations	519
Vehicle	2,956
Repairs & Maintenance	4,813
Insurance	1,380
Food Purchases	16,294
Food Distributions *	45,339
Office Costs	2,944
Audit	775
Meat Processing	0
Other	748
Total Expenses	<u>\$ 156,856</u>
Revenue Over/Under Expenses	\$ 98,972
Net Assets at July 1, 2019	<u>\$ 34,031</u>
Net Assets at June 30, 2020	<u><u>\$ 133,003</u></u>

* Food Contributions In-Kind valued at \$1.62 per pound

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

IN HOME SERVICES

Grant Period: July 1, 2019 to June 30, 2020

Grant Number: Area IV Agency on Aging 2020-004-013 (Gallatin County)

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Title III Revenue	\$ 52,766	52,766
Title III Revenue - Respite	19,597	19,597
United Way	8,000	6,000
Donations	25,422	1,022
Other Grant Revenue	17,000	22,000
Total Revenues	<u>\$ 122,785</u>	<u>101,385</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 104,535	106,548
Supplies	650	705
Communications	250	340
Travel & Training	1,300	1,582
Insurance	1,115	1,240
Audit	250	484
Other - Program Support	16,263	1,451
Total Expenses	<u>\$ 124,363</u>	<u>112,349</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	<u>\$ (10,964)</u>
Paycheck Protection Program Loan Proceeds		\$ 21,356
Net Assets at July 1, 2019		<u>\$ 27,039</u>
Net Assets at June 30, 2020		<u>\$ 37,431</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

IN HOME SERVICES - PARK COUNTY

Grant Period: July 1, 2019 to June 30, 2020

Grant Number: Area IV Agency on Aging 2020-004-013 (Park County)

	Budget	Actual
REVENUE		
Title III Revenue	\$ 24,500	24,500
Title III Revenue - Respite	18,750	18,750
United Way	6,000	6,000
Park County		0
Donations	0	0
Other Grant Revenue	11,000	
Total Revenues	<u>\$ 60,250</u>	<u>49,250</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 47,993	56,778
Supplies	700	313
Communications	0	0
Travel & Training	1,450	433
Building Space	0	
Insurance	750	676
Audit	200	341
Other - Program Support	9,157	305
Total Expenses	<u>\$ 60,250</u>	<u>58,846</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	<u>\$ (9,596)</u>
Paycheck Protection Program Loan Proceeds		11,871
Net Assets at July 1, 2019		<u>\$ 4,499</u>
Net Assets at June 30, 2020		<u><u>\$ 6,773</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

STATE HEALTH INSURANCE PROGRAM (SHIP) - INFORMATION & ASSISTANCE

Grant Period: July 1, 2019 to June 30, 2020

Grant Number: Area IV Agency on Aging 2020-004-013

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 50,000	50,000
Other Income	5,000	0
Total Revenue	<u>\$ 55,000</u>	<u>50,000</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 47,500	46,903
Supplies	500	191
Communications	1,750	
Travel	750	766
Insurance	500	17
Audit	500	250
Other	3,500	2,772
Total Expenses	<u>\$ 55,000</u>	<u>50,899</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(899)
Transfer In		\$ 899
Net Assets at July 1, 2019		<u>\$ 0</u>
Net Assets at June 30, 2020		<u><u>\$ 0</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

RETIRED SENIOR VOLUNTEER PROGRAM

Grant Period: April 1, 2019 to March 31, 2020

Grant Number: CNCS 18SRPMT002

Area IV Agency on Aging (Title III) 2020-004-013

	Budget	Actual	In-Kind	Excess Non-Federal Share
REVENUE				
Federal Grant	\$ 86,161	86,161		
Federal Grant - 3-Year Augmentation Carryfwd	244,222	136,627		
Gallatin County Senior Mill Levy	11,000	11,000		
United Way	5,000	5,000		
Title III Grant	6,425	3,934		2,491
Donations	14,746	10,765		
Work site	6,506	1,375		
Other Grant Revenue	20,000			
In-Kind	17,330		16,224	
Total Revenues	<u>\$ 411,390</u>	<u>254,862</u>	<u>16,224</u>	<u>2,491</u>
EXPENSES				
Personnel Expense				
Project Director	\$ 57,923	51,509		2,163
Program Coordinators	36,411	34,218		
Senior Reach Program Manager	28,080	21,957		
Fiscal Staff	6,123	6,614		
Executive	4,000	5,053		
Personnel	3,163	4,549		
Receptionists	1,721	2,229		
Fringe Benefits	20,363	22,778		328
Agency-wide Insurance	3,750	1,581		
Local Travel	500	1,229		
Long Distance Travel	4,500	593		
Supplies	5,000	3,655		
Computer Service	1,650	3,437		
Senior Reach: Community Health Partners	47,860	47,860		
Senior Reach Licensing Fee	6,200	6,200		
Communications	5,000	3,124		
Printing	5,977	376	2,531	
Space	24,694	19,344	9,694	
Audit	567	808		
Other	500	370		
Volunteer Expense				
Meals	1,000	804		
Insurance	1,060	1,221		
Travel	2,009	430	3,999	
Recognition	10,571	9,623		
Augmentation Year 3	101,536			
Total Expenses	<u>\$ 380,158</u>	<u>249,563</u>	<u>16,224</u>	<u>2,491</u>
Revenue Over/Under Expenses	<u>\$ 31,232</u>	<u>5,299</u>	<u>0</u>	<u>0</u>
Net assets at April 1, 2019		\$ 0	0	0
Net assets at March 31, 2020		\$ 5,299	0	0

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

SENIOR MEDICARE PATROL

Grant Period: June 1, 2019 to May 31, 2020

Grant Number: Area XI Agency on Aging MOU

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 9,537	9,535
Total Revenue	<u>\$ 9,537</u>	<u>9,535</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 9,537	8,216
Travel & Training		86
Space		1,233
Total Expenses	<u>\$ 9,537</u>	<u>9,535</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	<u>\$ 0</u>
Transfer In		\$ -
Net Assets at June 1, 2019		<u>\$ 0</u>
Net Assets at May 31, 2020		<u>\$ 0</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

SHERWOOD SERVICE COORDINATOR

Grant Period: January 1, 2019 to December 31, 2019

Grant Number: MFSC179734-01-01

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 34,577	33,174
Total Revenue	<u>\$ 34,577</u>	<u>33,174</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 26,408	26,886
Travel & Training	3,571	2,391
Other	4,598	8,531
Total Expenses	<u>\$ 34,577</u>	<u>37,808</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(4,634.05)
Transfer In from Sherwood Apts Inc		<u>\$ 4,635</u>
Net Assets at January 1, 2019		<u>\$ 0</u>
Net Assets at December 31, 2019		<u><u>\$ 0</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

GALAVAN / SENIOR TRANSPORTATION

Grant Period: July 1, 2019 to June 30, 2020

Grant Names: Not for Profit Work & Services Agreement - 2020318

MT DOT 111074 - Section 5311 Capital

MT DOT - TransAde

	Budget	Actual	Capital Actual
REVENUE			
Title III Revenue	\$ 21,400	21,400	
ParaTransit Contract - Streamline	101,500	101,500	
MT DOT Transade	210,717	210,717	
MT DOT Capital Grants - Vehicles	0	-	29,084
MT DOT CARES Funding	-	212,024	
Local Revenue			
Friends of Galavan	-	3,500	
Gallatin County	78,500	78,500	
City of Bozeman	105,000	122,183	
City of Belgrade	10,000	10,000	
United Way	10,000	5,000	
Rider Donations	15,000	4,884	
Contributions	2,000	2,655	
Other (Advertising) Income	8,400	-	
Storage Space Rental Income	4,000	5,596	
Investment Income/Other	10,500	553	
Adopt-A-Bus	-	0	
Contract Income-Headstart/Family Promise	6,400	-	
Sale Proceeds	0	0	
Other	-	6,422	
Total Revenues	<u>\$ 583,417</u>	<u>784,934</u>	<u>29,084</u>
EXPENSES			
Salaries & Fringe Benefits	\$ 380,000	349,499	
HRDC Admin. Cost Allocations	45,000	44,028	
Gas & Oil	55,000	42,980	
Repairs & Maintenance	40,000	36,685	
Insurance	18,000	20,008	
Voucher Program Contract	-	-	
Bus Barn Operating Costs	5,000	5,898	
Travel & Training	2,500	411	
Advertising/PR	1,500	457	
Cleaning	-	12,150	
Supplies	3,500	4,134	
Communications	4,500	6,090	
Audit	1,000	1,386	
Other (incl RM software)	5,000	11,145	
Equipment-Other	500	413	
Equipment-Vehicles	0	0	34,216
Total Expenses	<u>\$ 561,500</u>	<u>535,283</u>	<u>34,216</u>
Revenue Over/Under Expenses	<u>\$ 21,917</u>	249,651	(5,132)
Operating Funds Applied to Capital		\$ (5,132)	5,132
Transfer Out		(1,995)	
Transfer In - Smyth Interest Income		\$ 10,500	
Net Assets at July 1, 2019		<u>\$ 23,845</u>	<u>0</u>
Net Assets at June 30, 2020		<u>\$ 276,868</u>	<u>0</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

STREAMLINE BUS / PUBLIC TRANSPORTATION

Grant Period: July 1, 2019 to June 30, 2020

Grant Names: MT DOT 110742 - Section 5311 Operating
 MT DOT 110656 - Section 5311 Capital Grant - Vehicle Repair
 Montana State University - Contract # CS180031
 Streamline Bridger Bowl Service Contract
 City of Bozeman - Transfer Station Contract

	<u>Budget</u>	<u>Actual</u>	<u>Capital Actual</u>
REVENUE			
MT DOT Operating Grant	\$ 1,150,046	1,602,247	
MT DOT Capital Grant - Vehicle Repair	0		18,581
Local Revenue			
Associated Students of MSU	164,500	188,556	
Contract Income	101,000	135,125	
City of Bozeman	150,000	150,000	
City of Belgrade	8,000	10,000	
Gallatin County	-	20,000	
Montana State University	112,000	69,167	
Other (Advertising) Income	2,000	85	
Storage Space Rental Income	14,000	14,200	
Contributions	1,000	31,305	
Insurance Revenue	-	4,858	
Total revenues	<u>\$ 1,702,546</u>	<u>2,225,543</u>	<u>18,581</u>
EXPENSES			
Salaries & Fringe Benefits	\$ 145,000	124,490	
HRDC Admin Cost Allocations	63,000	63,560	
Contract Services	860,465	935,056	
Gas & Oil	188,000	116,681	
Repairs & Maintenance	250,000	175,856	24,312
Insurance	59,000	77,717	
Bus Barn Operating Costs	13,000	16,271	
Parking Garage Cleaning/Security	15,000	13,317	-
Travel & Training	8,000	2,560	
Advertising/PR & Outreach	40,000	70,474	
Supplies	5,000	5,069	
Communications	8,000	9,681	
Space	0	0	
Audit	2,000	2,080	
Other	2,000	473	
Equipment - Other	1,000	3,366	
Equipment - Vehicles	0	23,419	
Equipment - Vehicle Wraps	0	0	
Equipment - GPS Tracking Software	20,000	21,826	
Bus Shelters/Street Furniture	0	0	
Transportation Development Plan	-	105,440	
Total Expenses	<u>\$ 1,679,465</u>	<u>1,767,337</u>	<u>24,312</u>
Revenue Over/Under Expenses	<u>\$ 23,081</u>	458,206	(5,731)
Operating Funds Applied to Capital		\$ (5,731)	5,731
Transfer Out		(212,024)	-
Net Assets at July 1, 2019		<u>\$ 420,046</u>	<u>\$ 0</u>
Net Assets at June 30, 2020		<u>\$ 660,497</u>	<u>\$ 0</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

WORKFORCE INNOVATION & OPPORTUNITY ACT - YOUTH

Grant Period: July 1, 2019 to June 30, 2020

Grant Name: DLISF13_WIAYouth09-6

	Budget	Actual	Modification #1 Budget	Actual
REVENUE				
Grant	\$ 160,042	160,042	7,145	7,145
Other Income	0	0	0	0
Total Revenues	<u>\$ 160,042</u>	<u>160,042</u>	<u>7,145</u>	<u>7,145</u>
EXPENSES				
In-School	\$ 40,010	4,723	1,786	154
Out-of-School	120,031	158,800	5,359	6,999
Total Expenses	<u>\$ 160,041</u>	<u>163,524</u>	<u>7,145</u>	<u>7,153</u>
Revenue Over/Under Expenses	<u>\$ 1</u>	(3,482)	<u>0</u>	(8)
Transfer In		\$ 3,482		0
Net Assets at July 1, 2019		<u>\$ 0</u>		<u>0</u>
Net Assets at June 30, 2020		<u>\$ 0</u>		<u>(8)</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

CHAFEE FOSTER CARE INDEPENDENCE PROGRAM

Grant Period: July 1, 2019 to June 30, 2020

Contract Number: DPHHS 20193FCIP0009

Action Inc (Butte) MOU for Combined Service Area

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 107,100	107,900
Other Income		
Total Revenues	<u>\$ 107,100</u>	<u>107,900</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 83,500	83,567
Rent Expenses	3,000	3,110
Administrative	8,500	16,802
Travel & Training	6,600	7,102
Equipment & Supplies	3,000	1,593
Youth Stipends/Support	2,200	2,714
NYTD Survey Incentives	300	120
Total Expenses	<u>\$ 107,100</u>	<u>115,008</u>
Revenue Over/Under Expenses	<u>\$ -</u>	(7,108)
Transfer In		\$ 7,108
Net Assets at July 1, 2019		<u>\$ 0</u>
Net Assets at June 30, 2020		<u><u>\$ 0</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

BLUEPRINT - YOUTH TRANSITIONAL LIVING HOUSE

Report Period: July 1, 2019 to June 30, 2020

	<u>Actual</u>
REVENUE	
Donations	\$ 69,469
Gallatin County	545
United Way	5,000
Fund Raising Income	4,354
Private Grants	12,500
Insurance Revenue	39,578
Misc Income	255
Total Revenues	<u>\$ 131,701</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 97,487
Youth Stipends/Support	2,239
Rent	4,400
Utilities & Phone	3,580
Maintenance & Repairs	3,775
Supplies/Office Costs	2,980
Travel & Training	2,571
Legal & Audit	875
Insurance	3,405
Taxes	2,639
Interest Expense	20,959
Depreciation	24,975
Other Expenses	5,934
Total Expenses	<u>\$ 175,818</u>
Revenue Over/Under Expenses	\$ (44,116)
Paycheck Protection Program Loan Proceeds	\$ 36,321
Transfers Out	
Foster Youth Support	\$ (6,775)
WIOA Youth Support	\$ (3,482)
Net Assets at July 1, 2019	<u>\$ 60,724</u>
Net Assets at June 30, 2020	<u><u>\$ 42,673</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HEAD START PROGRAM

Grant Period: April 1, 2019 to March 31, 2020

Grant Number: HHS 08CH010871-01-01

	Budget	Actual	In-Kind
REVENUE			
Grant	\$ 1,571,938	1,599,373	
USDA Child Care Food Contract	95,000	108,492	
Other Income	9,100	10,665	
In-kind	392,985		318,496
Total Revenues	<u>2,069,023</u>	<u>\$ 1,718,530</u>	<u>\$ 318,496</u>
EXPENSES			
Salaries	\$ 1,011,472	1,062,848	
Fringe Benefits	278,459	309,615	
Travel/Training	9,500	28,474	
Supplies	14,034	30,393	
Contract Services	8,225	16,192	
Other	354,348	291,481	
In-kind Expenses	392,985		318,496
Total Expenses	<u>\$ 2,069,023</u>	<u>1,739,003</u>	<u>318,496</u>
Revenue Over/Under Expenses	<u>\$ 0</u>	(20,473)	(0)
Transfer In		\$ 20,473	
Net Assets at April 1, 2019		<u>\$ 0</u>	<u>0</u>
Net Assets at March 31, 2020		<u>\$ (0)</u>	<u>(0)</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HEAD START PRIVATE PAY PROGRAM

Grant Period: April 1, 2019 to March 31, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 30,000	1,437
Contract Income	88,000	62,258
Other Income	10,000	10,000
Total Revenues	<u>\$ 128,000</u>	<u>\$ 73,695</u>
EXPENSES		
Salaries	\$ 139,820	70,575
Fringe Benefits	46,607	21,393
Travel/Training	1,300	279
Supplies	3,325	1,541
Contract Services	-	133
Other	36,832	22,996
Total Expenses	<u>\$ 227,883</u>	<u>116,916</u>
Revenue Over/Under Expenses	<u>\$ (99,883)</u>	(43,221)
Transfer In		\$ 43,221
Net Assets at April 1, 2019		<u>\$ 0</u>
Net Assets at March 31, 2020		<u>\$ 0</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

PRE-SCHOOL DEVELOPMENT

Report Period: July 1, 2019 to June 30, 2020

Grant Number: MT OPI 16 6646 16 20

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 116,937	116,937
Total Revenue	<u>\$ 116,937</u>	<u>116,937</u>
EXPENSES		
Salaries	\$ 74,429	77,558
Fringe Benefits	18,728	25,563
Purchased Professional & Technical	10,000	7,500
Purchased Property Services	543	-
Other Purchased Services	4,500	-
Supplies	8,737	7,154
Property & Equipment	-	-
Total Expenses	<u>\$ 116,937</u>	<u>117,775</u>
Revenue Over/Under Expenses	<u>\$ -</u>	(838)
Transfer In		\$ 838
Net Assets at July 1, 2019		<u>\$ 0</u>
Net Assets at June 30, 2020		<u>\$ 0</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HEAD START FACILITIES

Report Period: For the Year Ended June 30, 2020

	Bozeman Center Actual	Livingston Center Actual	Belgrade Center Actual
REVENUE			
Rental Income	\$ 32,400	42,000	74,400
Total Revenue	<u>\$ 32,400</u>	<u>42,000</u>	<u>74,400</u>
EXPENSES			
Gas & Electric	\$ 3,495	3,216	6,201
Water, Sewer, & Garbage	2,484	2,081	2,629
Maintenance & Repairs	7,976	10,604	9,560
Janitorial/Grounds	7,196	6,541	9,373
Property Management/Audit	2,000	2,000	2,000
Insurance	2,051	1,788	2,973
Taxes	500	0	83
Interest Expense	0	5,014	23,650
Depreciation	1,800	1,794	62,174
Total Expenses	<u>\$ 27,502</u>	<u>\$ 33,038</u>	<u>\$ 118,643</u>
Revenue Over/Under Expenses	\$ 4,898	8,962	(44,243)
Net Assets at July 1, 2019	<u>\$ 52,617</u>	<u>(28,685)</u>	<u>379,698</u>
Net Assets at June 30, 2020	<u><u>\$ 57,515</u></u>	<u><u>(19,723)</u></u>	<u><u>335,455</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

BIG SKY COMMUNITY HOUSING TRUST

Report Period: July 1, 2019 to June 30, 2020

	<u>Operations</u>	<u>DPA Lending</u>
REVENUE		
Big Sky Resort Tax Revenue	\$ 125,501	110,000
Donations	11,000	
Fund Raising Income	350	
Underwriting Fees		4,858
Grants		90,000
Total Revenue	<u>\$ 136,851</u>	<u>204,858</u>
EXPENSES		
Salaries & Fringe Benefits	\$ 109,893	8,753
Consultant Services	10,643	0
Travel & Training	1,766	0
Legal/Audit	58	0
Supplies	2,106	0
Office Space	8,704	0
Other	4,287	0
Total Expenses	<u>\$ 137,457</u>	<u>8,753</u>
Revenue Over/Under Expenses	\$ (606)	196,105
Homebuyer Loans Disbursed		(455,750)
Transfer Out	(27,933)	0
Net Assets at July 1, 2019	<u>\$ 28,539</u>	<u>154,275</u>
Net Assets at June 30, 2020	<u><u>\$ 0</u></u>	<u><u>(105,370)</u></u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

ROAD TO HOME - HOMEOWNERSHIP CENTER

Report Period: July 1, 2019 to June 30, 2020

Grant Periods: MT Dept of Commerce (HOME) November 7, 2013 to September 30, 2020

City of Bozeman (COB) November 25, 2003 to June 30, 2020

City of Bozeman Affordable Hsg Ordinance (AHO) March 30, 2018 to June 30, 2020

MT HomeOwnership Network (MHN)/NeighborWorks MT (NWMT) October 1, 2004 to June 30, 2020

RTH Lending Pool: July 1, 2006 to June 30, 2020

Grant Number: HOME M13-SG300100-01-A/B/C/D/E/F/G/H

	HOME Actual	COB Actual	COB AHO Actual	CDBG Pgm Inc Actual	Other Actual	Total Actual
REVENUE						
Grant	\$ 172,002					172,002
Contract Income		40,000	78,150		95,153	213,303
Contributions					5,485	5,485
Homebuyer Loans Repaid	75,955	35,000		13,159		124,114
Appreciation Share Realized	16,139	15,634				31,773
Total Revenues	<u>\$ 264,096</u>	<u>90,634</u>	<u>78,150</u>	<u>13,159</u>	<u>100,638</u>	<u>546,677</u>
EXPENSES						
Salaries & Fringe	\$ 19,554	13,417	4,144		106,266	143,381
Space	1,066	1,383	241		3,841	6,531
Communications	86	41	4		451	582
Supplies			1,000		6,620	7,620
Contract Services					419	419
Audit & Legal					1,280	1,280
Travel & Training	34				4,899	4,933
Homebuyer Loan Fees	962		1,400			2,362
Total Expenses	<u>\$ 21,702</u>	<u>14,841</u>	<u>6,789</u>	<u>0</u>	<u>123,776</u>	<u>167,109</u>
Revenue Over/(Under) expenses	\$ 242,394	75,792	71,361	13,159	(23,138)	379,568
Homebuyer Loans Disbursed	\$ (235,957)	0	(70,000)	0	0	(305,957)
Transfer Out *				(81,193)		(81,193)
Net assets at July 1, 2019	<u>\$ (1,525)</u>	<u>\$ 399,251</u>	<u>\$ 1,123</u>	<u>\$ 180,112</u>	<u>\$ (73,296)</u>	<u>\$ 505,666</u>
Net Assets for Operations at June 30, 2020	<u>\$ 4,912</u>	<u>\$ 285,145</u>	<u>\$ 2,484</u>	<u>\$ 31,277</u>	<u>\$ (107,753)</u>	<u>\$ 216,065</u>
Net Assets for Lending at June 30, 2020	<u>\$ 0</u>	<u>\$ 189,898</u>	<u>\$ 0</u>	<u>\$ 80,800</u>	<u>\$ 11,320</u>	<u>\$ 282,019</u>

* CDBG Program Income Applied to Humble Homes and Scattered Sites Land Trust

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

RESOURCE PROPERTY MANAGEMENT

Report Period: July 1, 2019 to June 30, 2020

	<u>Actual</u>
REVENUE	
HRDC Owned	
Management fees: Big Sky Villas Apts (24 units)	\$ 17,912
Management fees: Boulevard Apts (42 units)	23,492
Management fees: Colorado Apts (8 units)	4,035
Management fees: Cottages @ Menicucci Sq (18 units)	13,692
Management fees: Miles Apts (40 units)	26,804
Management fees: Sherwood Inn Apts (50 units)	31,806
Management fees: Summit Place Apts (7 units)	4,387
Management fees: West Babcock Apts (24 units)	18,396
Management fees: West Edge Condos (4 units)	2,365
Management fees: HRDC Facilities (14 buildings)	29,600
Third-Party Owned	
Management fees: Antelope Court Apts (30 units)	16,393
Management fees: Buffalo Court Apts (20 units)	9,443
Management fees: Castle Mountain Apts (10 units)	8,026
Management fees: Guardian Apts (118 units)	63,821
Total Revenues	<u>\$ 270,173</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 176,396
Contract Services	2,630
Travel & Training	1,031
Space Costs	7,517
Communications	1,267
Supplies	5,638
Office Costs	1,432
Liability Insurance	3,151
Legal	45
Other	663
Total Expenses	<u>\$ 199,770</u>
Revenue over/under expenses	\$ 70,403
Transfer In (Out)	\$ (8,867)
Net assets at July 1, 2019	<u>\$ 85,039</u>
Net assets at June 30, 2020	<u>\$ 146,575</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

COMMUNITY SERVICES BLOCK GRANT

Grant Period: January 1, 2018 to August 31, 2019

Grant Number: DPHHS 18-028-10007-0

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant	\$ 317,785	317,785
Misc Income		1,556
Total Revenue	<u>\$ 317,785</u>	<u>319,341</u>
EXPENSES		
Salaries & Fringe	\$ 147,233	168,543
Consultants & Contract Services	4,600	9,276
Travel/Training	3,000	10,862
Space	7,500	9,954
Supplies	4,000	600
Small Equipment	6,000	0
Other Non-Direct Expenses	0	10,738
Support for Programs/Projects and Other Costs	145,442	109,369
Total Expenses	<u>\$ 317,775</u>	<u>319,341</u>
Revenue Over/Under Expenses	<u>\$ 10</u>	(0)
Net Assets at January 1, 2018		<u>\$ 0</u>
Net Assets at August 31, 2019		<u>\$ 0</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

HRDC CENTRAL AND ANNEX OFFICES

Report Period: July 1, 2019 to June 30, 2020

	HRDC Central Office		HRDC Annex Office	
	Budget	Actual	Budget	Actual
REVENUE				
Rental Income	\$ 110,400	110,400	37,200	37,200
Other Income	0	4,800	0	0
Total Revenue	<u>\$ 110,400</u>	<u>115,200</u>	<u>37,200</u>	<u>37,200</u>
EXPENSES				
Gas & Electric	\$ 13,200	13,844	3,600	3,778
Water, Sewer, & Garbage	3,800	3,693	700	1,220
Maintenance & Repairs	40,808	39,430	2,200	1,425
Janitorial/Grounds	15,800	15,600	5,800	6,440
Property Management/Audit	7,200	7,200	1,000	800
Insurance	2,796	2,567	1,048	2,238
Taxes	620	932	130	204
Interest Expense	17,516	16,313	10,682	9,318
Depreciation	42,297	42,297	16,742	16,742
Total Expenses	<u>\$ 144,037</u>	<u>141,876</u>	<u>41,902</u>	<u>42,166</u>
Revenue Over/Under Expenses	<u>\$ (33,637)</u>	(26,676)	<u>(4,702)</u>	(4,966)
Net Assets at July 1, 2019		<u>\$ 734,301</u>		<u>(120,939)</u>
Net Assets at June 30, 2020		<u>\$ 707,625</u>		<u>\$ (125,905)</u>

See Independent Auditor's Report.

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SUPPLEMENTAL SCHEDULE
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

SCHEDULE OF ADMINISTRATIVE COSTS ALLOCATED

Report Period: For the Year Ended June 30, 2020

	<u>Actual</u>
REVENUE	
Allocation Payments from Programs	\$ 911,061
Total Revenues	<u>\$ 911,061</u>
EXPENSES	
Salaries & Fringe Benefits	\$ 724,750
Space Costs	31,651
Financial Audit	44,405
Communications	10,173
Office Costs	2,771
Small Equipment	5,672
Computer Service	79,196
Travel/Training	6,966
Contract Services	15,948
Other	2,357
Total Expenses	<u>\$ 923,889</u>
Revenue Over/Under Expenses	\$ (12,827)
Transfer In	\$ 8,683
Net Assets at July 1, 2019	<u>\$ -</u>
Net Assets at June 30, 2020	<u><u>\$ (4,144)</u></u>

See Independent Auditor's Report.

SINGLE AUDIT SECTION

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020

FEDERAL SOURCE <i>PASS THROUGH SOURCE</i> PROGRAM NAME	CFDA No.	Grant Term	Pass Through Number	Total Dollars Awarded	Total Federal Expenditures	Awards to Subrecipients
Dept. of Housing and Urban Development						
<i>Montana Dept. of Health and Human Services</i>						
Emergency Shelter Grant 19-20	14.231	08/01/19 - 07/31/20	19-028-51007-0	76,337	\$ 75,037	\$ -
Emergency Shelter Grant 20-21	14.231	08/01/20 - 03/31/21	20-028-51007-0	257,067	<u>43,129</u>	<u>-</u>
Total Emergency Shelter Grant					<u>118,166</u>	<u>-</u>
<i>Direct</i>						
Continuum of Care - Rapid Re-Housing	14.267	07/01/19 - 06/30/20	MT0055L8T1802	110,353	<u>110,353</u>	<u>-</u>
Total Continuum of Care					<u>110,353</u>	<u>-</u>
<i>Direct</i>						
Multifamily Housing Service Coordinators	14.191	01/01/20 - 12/31/20	MFSC179734-01-04	28,661	20,346	-
Multifamily Housing Service Coordinators	14.191	01/01/19 - 12/31/19	MFSC179734-01-03	15,365	<u>15,365</u>	<u>-</u>
					<u>35,711</u>	<u>-</u>
<i>Montana Dept. of Commerce</i>						
Home Investment Partnership Program - RTH	14.239	07/01/19 - 09/30/20	M13-SG300100-01-G	2,159,000	247,957	-
<i>Local Initiatives Support Corporation</i>						
Rural LISC	14.252	10/01/17 - 09/30/19	41189-0038	39,500	2,792	-
Rural LISC - Health Housing HFV	14.252	07/01/18 - 09/30/19	41189-0040	16,830	5,218	-
Rural LISC - Health Housing HFV	14.252	07/01/19 - 09/30/20	41189-0043	15,300	10,406	-
Rural LISC	14.252	10/01/19 - 09/30/21	41189-0044	36,000	17,708	-
Rural LISC - Bridges to Career Opportunities	14.252	01/01/20 - 12/31/20	41189-0045	30,000	<u>2,376</u>	<u>-</u>
Total LISC					<u>38,500</u>	<u>-</u>
Total Department of Housing and Urban Development					<u>550,687</u>	<u>-</u>
Department of Labor						
<i>Montana Department of Labor</i>						
WIA/WIOA Cluster						
Workforce Innovation & Opportunity Act	17.259	07/01/19 - 06/30/20	DLISF20CONWSD_102	160,042	160,042	-
Workforce Innovation & Opportunity Act - MOD	17.259	07/01/19 - 06/30/20	DLISF20CONWSD_102_1	7,145	<u>7,145</u>	<u>-</u>
Total Department of Labor, WIA/WIOA Cluster					<u>167,187</u>	<u>-</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2020

FEDERAL SOURCE <i>PASS THROUGH SOURCE</i> PROGRAM NAME	CFDA No.	Grant Term	Pass Through Number	Total Dollars Awarded	Total Federal Expenditures	Awards to Subrecipients
Department of Transportation						
<i>Montana Department of Transportation</i>						
Formula Grants for Other Than Urbanized Areas	20.509	07/01/19 - 06/30/20	110742	1,150,046	696,669	-
Formula Grants for Other Than Urbanized Areas	20.509	07/01/18 - 06/30/20	110656	36,517	18,581	-
COVID-19 Formula Grants for Other Than Urbanized Areas	20.509	01/20/20 - 12/31/20		REIMB	961,130	-
					<u>1,676,380</u>	<u>-</u>
<i>Montana Department of Transportation</i>						
Capital Assistance Program Enhanced Mobility	20.513	07/01/19 - 06/30/20	111074	29,084	<u>29,084</u>	<u>-</u>
<i>Federal Transit Cluster</i>						
Bus and Bus Facilities Formula Program	20.526	07/01/18 - 06/30/19	110507	-	-	-
Bus and Bus Facilities Formula Program	20.526	07/01/18 - 06/30/19	110579	-	<u>-</u>	<u>-</u>
Total Federal Transit Cluster					<u>-</u>	
Total Department of Transportation					<u>1,705,464</u>	<u>-</u>
Department of Energy						
<i>Montana Dept. of Health and Human Services</i>						
DOE Weatherization 19-20	81.042	07/01/19 - 06/30/20	20-028-30027-0	208,648	<u>185,482</u>	<u>-</u>
Total Department of Energy					<u>185,482</u>	<u>-</u>
Department of Education						
<i>Montana Office of Public Instruction</i>						
Preschool Development 19-20	84.419	07/01/19 - 06/30/20	016-6646-1616	116,937	<u>116,937</u>	<u>-</u>
Total Department of Education					<u>116,937</u>	<u>-</u>
Federal Emergency Management Agency						
<i>United Way</i>						
Emergency Food and Shelter Program Cluster						
FEMA - Housing, Park County	97.024	10/01/18 - 05/31/20	559600-008 (36)	3,236	3,236	-
FEMA - Housing, Gallatin County	97.024	10/01/18 - 05/31/20	559600-002 (36)	19,605	19,605	-
FEMA - Food	97.024	10/01/18 - 05/31/20	559600-003 (36)	18,835	<u>18,835</u>	<u>-</u>
Total Federal Emergency Management Agency, Emergency Food and Shelter Cluster					<u>41,676</u>	<u>-</u>

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2020

FEDERAL SOURCE PASS THROUGH SOURCE PROGRAM NAME	CFDA No.	Grant Term	Pass Through Number	Total Dollars Awarded	Total Federal Expenditures	Awards to Subrecipients
Department of Health and Human Services						
<i>Rocky Mountain Development Council, Inc.</i>						
<i>Aging Cluster</i>						
TITLE III-B Homemaker Services	93.044	07/01/19 - 06/30/20	2020-004-013	381	381	-
TITLE III-B Respite / Caregiver Support	93.052	07/01/19 - 06/30/20	2020-004-013	19,597	19,597	-
TITLE III-E Caregiver Support - Park County	93.052	07/01/19 - 06/30/20	2020-004-013	18,750	18,750	-
Total Aging Cluster					38,728	-
State Health Insurance Assistance Program	93.324	07/01/19 - 06/30/20	2019-004-013	25,000	25,000	-
<i>Missoula Aging Services (Area XI Agency on Aging)</i>						
Senior Medicare Patrol 19-20	93.048	06/01/19 - 05/31/20	None	10,537	8,667	-
Senior Medicare Patrol 20-21	93.048	06/01/20 - 05/31/21	None	9,537	951	-
Total Senior Medicare Patrol					9,618	-
<i>Montana Dept. of Health and Human Services 477 Cluster</i>						
CSBG 18	93.569	01/01/18-08/31/19	18-028-10007-0	317,785	9,451	-
CSBG 19	93.569	01/01/19-08/31/20	19-028-10007-0	332,667	332,667	6,324
Total 477 Cluster					342,118	6,324
<i>Direct</i>						
Head Start						
Head Start 19-20	93.600	04/01/19 - 03/31/20	08CH010871-01	1,571,886	1,146,886	-
In-Kind				-	251,938	-
Head Start 20-21	93.600	04/01/20 - 03/31/21	08CH010871-02	1,579,444	396,783	-
In-Kind				-	10,275	-
<i>Less In-Kind</i>					(262,213)	-
COVID - 19 Head Start					40,774	-
Total Head Start					1,584,443	-

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2020

FEDERAL SOURCE <i>PASS THROUGH SOURCE</i> PROGRAM NAME	CFDA No.	Grant Term	Pass Through Number	Total Dollars Awarded	Total Federal Expenditures	Awards to Subrecipients
Department of Health and Human Services, continued						
<i>Montana Dept. of Health and Human Services</i>						
LIEAP Client Education/Advocacy 18-19	93.568	10/01/18 - 08/31/20	19-028-13007-0	40,771	40,739	-
LIEAP Client Education/Advocacy 19-20	93.568	10/01/19 - 08/31/21	20-028-13007-0	38,557	928	-
LIEAP Outreach 17-18	93.568	10/01/17 - 09/30/19	18-028-15057-0	52,630	2,203	-
LIEAP Outreach 18-19	93.568	10/01/18 - 08/31/20	19-028-13007-0	48,061	48,061	-
LIEAP Outreach 19-20	93.568	10/01/19 - 10/01/20	20-028-13007	35,437	348	-
LIEAP Administration 18-19	93.568	10/01/18 - 09/31/20	19-028-13007-0	80,716	75,538	-
LIEAP Administration 20-21	93.568	10/01/19 - 09/30/21	20-028-13007-0	77,807	7,292	-
LIEAP Contingency Revolving Fund 18-19	93.568	11/01/18 - 11/13/19	19-028-13007-0	REIMB	44,063	-
LIEAP Contingency Revolving Fund 20-21	93.568	11/14/19 - 09/30/20	20-028-11007-0	REIMB	93,584	-
LIEAP Weatherization 18-19	93.568	07/01/18 - 09/30/19	19-028-16007-0	401,531	103,747	-
LIEAP Weatherization 20-21	93.568	07/01/19 - 08/31/21	20-028-16007-0	491,413	283,027	-
COVID-19 LIEAP Administration	93.568	05/01/20 - 09/30/21	20-028-19067-0	28,685	8,492	-
COVID-19 CRF 20-21	93.568	05/01/20 - 09/30/21	20-028-19067-0	REIMB	<u>6,673</u>	-
Total LIEAP					<u>714,695</u>	-
Chafee Foster Care Independence	93.674	07/01/19 - 06/30/20	20123FCIP0008	107,900	<u>107,900</u>	-
Ryan White Part B HIV Care Formula Grant	93.917	10/01/18 - 09/30/19	17-07-4-51-310-0-2	33,885	14,713	-
Ryan White Part B HIV Care Formula Grant	93.917	10/01/19 - 09/29/20	17-07-4-51-310-0-2	33,885	<u>15,179</u>	-
Total Ryan White					<u>29,892</u>	-
Total Department of Health and Human Services					<u>2,852,394</u>	<u>6,324</u>
Corporation for National and Community Service						
<i>Direct</i>						
RSVP 2019-20	94.002	04/1/19 - 03/31/20	18SRPMT002	86,161	35,998	-
RSVP 2019-20 Senior Reach Augmentation	94.002	04/1/19 - 03/31/20	18SRPMT002	244,222	136,627	-
Match				-	22,049	-
RSVP 2020-21	94.002	04/1/20 - 03/31/21	18SRPMT002	86,161	23,107	-
RSVP 2020-21 Senior Reach Augmentation	94.002	04/1/20 - 03/31/21	18SRPMT002	107,596	15,788	-
Match				-	13,951	-
<i>Less Match</i>					<u>(36,000)</u>	-
Total Corporation for National and Community Service					<u>211,520</u>	-

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2020

FEDERAL SOURCE <i>PASS THROUGH SOURCE</i> PROGRAM NAME	CFDA No.	Grant Term	Pass Through Number	Total Dollars Awarded	Total Federal Expenditures	Awards to Subrecipients
Department of Agriculture						
<i>Montana Department of Health and Human Services</i>						
Child and Adult Care Food Program 19-20	10.558	04/01/19-03/31/20	HS 04087C	-	75,934	-
Child and Adult Care Food Program 20-21	10.558	04/01/20-03/31/21	HS 04087C	-	9,928	-
Total Child and Adult Care Food Program					85,862	-
<i>Montana Office of Public Instruction</i>						
<i>Child Nutrition Cluster</i>						
Summer Food Service Program for Children '19	10.559	10/01/18 - 09/30/19	16-6512	-	63,854	-
Summer Food Service Program for Children '20	10.559	10/01/19 - 09/30/20	16-6512	-	19,768	-
COVID-19 Summer Food Service Program for Children	10.559	03/16/20 - 09/30/20			208,081	187,976
Total Summer Food Service Program for Children					291,703	187,976
<i>Montana Dept. of Health and Human Services</i>						
<i>Food Distribution Cluster</i>						
Commodity Supplemental Food Program 18-19	10.565	10/01/18 - 09/30/19	19-027-21002-0	-	50,316	-
Commodity Supplemental Food Program 20-21	10.565	10/01/19 - 09/30/20	20-027-21002-0	-	160,361	-
Total Food Distribution Cluster					210,677	-
<i>Local Initiatives Support Corporation</i>						
Non-Research and Dev Technical Assistance Program	10.446	02/01/19 - 12/31/19	41189-0042	30,000	21,009	-
Total Department of Agriculture					609,251	187,976
TOTAL FEDERAL AWARDS EXPENDED					<u>\$ 6,440,598</u>	<u>\$ 194,300</u>
LOAN AND LOAN GUARANTEES				Principal Repayment	Amount Owed June 30, 2020	
<i>Direct Loan Guaranteed by the U.S. Department of Housing</i>	14.181			-	<u>\$ 438,100</u>	

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes federal award activity of HRDC under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (*Uniform Guidance*). Because the Schedule presents only a select portion of the operations of HRDC, it is not intended to, and does not present, the financial position, changes in net assets, or cash flows of HRDC.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The Schedule has been prepared on the accrual basis of accounting, which is the method of accounting used for the financial statements. Such expenditures are recognized following Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule present adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

HRDC has elected not to use the optional 10-percent de minimis indirect cost rate allowed by Uniform Guidance.

NOTE 4. MATCHING

In accordance with the terms of the grants, HRDC has expended matching contributions during the year ended June 30, 2020 for the following programs:

Department of Health and Human Services:	
Head Start	<u>\$251,938</u>
Retired and Senior Volunteer Program	<u>\$ 36,000</u>

NOTE 5. LOAN AND LOAN GUARANTEES

HRDC has one direct loan guaranteed by the U.S. Department of Housing, CFDA 14.181, with a balance of \$438,100 at June 30, 2020.

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Human Resource Development Council of District IX, Inc. (HRDC) which comprise the consolidated statements of financial position as of June 30, 2020, and the related consolidated statements of activities, and consolidated cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 16, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered HRDC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of HRDC's internal control. Accordingly, we do not express an opinion on the effectiveness of HRDC's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Anderson Zurmuehlen & Co., P.C.

Bozeman, Montana

June 16, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited Human Resource Development Council of District IX, Inc. (HRDC) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of HRDC's major federal programs for the year ended June 30, 2020. The HRDC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of HRDC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about HRDC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of HRDC's compliance.

Opinion on Each Major Federal Programs

In our opinion, HRDC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of HRDC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered HRDC's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on the internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of HRDC's 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 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 first paragraph of this report and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely based 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.

Anderson ZurMuehlen & Co., P.C.

Bozeman, Montana
June 16, 2021

HUMAN RESOURCE DEVELOPMENT COUNCIL OF DISTRICT IX, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2020

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? No

Significant deficiencies identified that are not considered
to be material weaknesses? None reported

Noncompliance material to financial statements noted? No

Federal Awards:

Internal Control over major programs:

Material weakness identified? No

Significant deficiencies identified that are not considered
to be material weaknesses? None reported

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

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

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
DPHHS Head Start	93.600
Summer Food Service Program	10.559

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

Auditee qualified as low-risk auditee? Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

The audit report for the year ended June 30, 2020, reported no findings.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The audit report for the year ended June 30, 2020, reported no findings.

SECTION IV – STATUS OF CORRECTIVE ACTION ON PRIOR FINDINGS

The audit report for the year ended June 30, 2019, reported no findings.



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Family Promise of Gallatin Valley Grant Proposal to the City of Bozeman as a Subrecipient of American Rescue Local Government Funding

September 28, 2021

Executive Summary of the Project

Family Promise of Gallatin Valley's Emergency Shelter Program, Prevention Program, and Stabilization Programs uniquely serves low-income households with children. COVID-19 affected households with children in ways that are specific to the housing challenges found in the Gallatin Valley. To assist families experiencing homelessness, Family Promise expanded its shelter program, and in turn, increased direct financial support to families in our shelter programming. We are expecting to serve 30 families in our shelter program this year. On average, \$2,521.00 in direct financial support is provided per family for their unique needs in their efforts to regain self-sufficiency and independent housing. In total, this year we expect to provide families with \$75,630 in direct financial support to households affected by the negative economic impacts caused by the COVID – 19 pandemic.

Firm Profile

Since 2006, FPGV has been committed to serving homeless families, and today we remain the only year-round shelter option for homeless families in the Gallatin Valley. Our mission continues to be realized every day as we mobilize over 2,000 trained volunteers to deliver transformational programs that lift families out of the crisis of homelessness and into long term, sustainable housing.

The central component of our programming is our Emergency Shelter Program (ESP) where we offer shelter for homeless families by coordinating with over 2,000 volunteers that provide evening meals. We currently have three shelter locations: Roxy's House at St. James Rectory, Stepping Stones at Wheat Suites (building owned by HRDC), and the Story House Day Center. The Day Center also houses our Family Case Manager's office where families receive intensive case management services, assistance with completing housing applications, and more. Prior to COVID – 19 all staff members had offices in the Story House, but in our effort to serve more families, we converted our offices into bedrooms and secured 13 rooms at Wheat Suites, formerly known as the Rodeway Inn. In just 12 months, we went from serving 4 families at a time in ESP to 19 families at a time. Over the past 15 years, Family Promise has graduated more than 70% of the more than 200 families we served in our Shelter Program with gainful employment, childcare, and affordable housing.

Once families exit our ESP they enter our Graduated Support Program (GSP) where we aim to continue our commitment by providing support and services to families, and ultimately, reduce recidivism back into emergency shelter.

Our Transitional Housing Program (THP) has transformed into 9 units strong, providing a place where graduated families can call home. Because the valley's housing market is so tight and even the most successful families struggle to find housing, it was imperative for FPGV to create a solution that gave families a chance. THP provides families with the opportunity to stay in our housing for up to two years while following a graduated rental plan. While all families start off paying a below-market rate,

rent increases over the length of their 2-year stay. This is a great method for families to establish savings, create a positive rental history, pay off debts, and establish goals to break down the barriers of their past. We anticipate our combination of quality, affordable housing, and comprehensive services will empower homeless families to lead stable and productive lives while providing the necessary consistency for their children.

Most Recent Financial Statement Audit report and Management Letter

To Whom It May Concern,

At this time Family Promise of Gallatin Valley has not received an audit, so we cannot provide a management letter as requested.

We are currently in the bidding process to conduct our first audit for Family Promise of Gallatin Valley. Bids are due by October 15, 2021. This audit will take place next fiscal year, which begins July 1, 2022.

We currently operate under a strong set of financial controls, which are included, along with our financial statements for fiscal year 2020-2021.

Please let me know if you have any questions,

Christel Chvilicek



Executive Director

Balance Sheet
As of June 30, 2021

	Jun 30, 21
ASSETS	
Current Assets	
Checking/Savings	
1 · Operating Funds (nonposting)	
1011 · Operating Checking	0.00
1021 · Opportunity Bank Checking	160,562.36
1022 · Opportunity Bank Expense Acc	2,334.80
1023 · Opportunity Bank Savings	100.00
1041 · Expense Cash Account	0.00
1077 · Charles Schwab Short-Term Inv	100,001.57
Total 1 · Operating Funds (nonposting)	262,998.73
2 · Reserve Funds	
1076 · Charles Schwab Investment Acct	100,002.57
Total 2 · Reserve Funds	100,002.57
Total Checking/Savings	363,001.30
Accounts Receivable	
1240 · Grants receivable	154,703.00
1241 · Pledge Receivable	424,589.28
Total Accounts Receivable	579,292.28
Other Current Assets	
1299 · Undeposited Funds	50,502.45
1316 · Tenant Receivable	1,926.94
1450 · Prepaid expenses and Deposits	22,440.82
Total Other Current Assets	74,870.21
Total Current Assets	1,017,163.79
Fixed Assets	
1600 · South Church Day Center	373,677.81
1602 · Davis-Povah House Property	165,046.41
1603 · Belgrade Cabins	100,000.00
1604 · Marjorie House	250,000.00
1630 · Leasehold improvements	33,591.00
1640 · Furniture, fixtures, & equip	79,042.47
1650 · Vehicles	36,349.00
1660 · Construction in progress	
1661 · Land	358,934.00
1660 · Construction in progress - Other	2,159,554.74
1660 · Construction in progress	2,518,488.74
1760 · Accumulated Depreciation	-196,989.37
Total Fixed Assets	3,359,206.06
Other Assets	
1805 · Pledges Receivable - long term	8,000.00
Total Other Assets	8,000.00
TOTAL ASSETS	4,384,369.85
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts payable	11,285.48
Total Accounts Payable	11,285.48
Credit Cards	
2060 · Master Card - Lara	0.00
2075 · Mastercard - Jill	0.00
2079 · Mastercard - Christel	0.00
2090 · Visa - Jill 0711	1,130.31
2091 · Visa - Kylie 0653	980.69
2092 · Visa - Emily 0869	386.59
2095 · Visa - Zak 0646	727.72
2096 · Visa - Hanna 0737	207.92
2097 · Visa - Elliott 0877	534.11
2099 · Visa - Christel 0638	1,023.00
Total Credit Cards	4,990.34
Other Current Liabilities	
2100 · Payroll Liabilities	
2101 · Health, Dental, Vision Payable	-3,020.86
2103 · FWH, FICA, Medicare Payable	7,259.58
2104 · SWH, SUTA Payable	2,091.69
2110 · Accrued Paid Time Off payable	6,177.13
2100 · Payroll Liabilities - Other	0.00
2100 · Payroll Liabilities	12,507.54
2135 · SBA Payroll Protection Program	0.00
2136 · SBA EIDL Payable	0.00
2345 · Security Deposits	
2346 · Security Deposit - Unit 11	350.00
2347 · Security Deposit - Unit 12	700.00
2348 · Security Deposit-Canterbury	350.00
2349 · Security Deposit-Basement	350.00
2351 · Security Deposit - DP NR	237.04
2352 · Security Deposit-DP SL	350.00
2353 · Security Deposit-North Kennedy	150.02
2354 · Security Deposit - Hope Harbor	350.00
Total 2345 · Security Deposits	2,837.06
2360 · Transitional Housing Liability	
2361 · Basement	0.00
2362 · DP Right North	580.00
2363 · DP Left South	1,950.00
2365 · Belgrade Unit 11	0.00
2366 · Belgrade Unit 12	600.00
2367 · Canterbury House	0.00
2380 · Stepping Stone	
2380-1 · Myer	100.00
2380-2 · Bear Crane	100.00
Total 2380 · Stepping Stone	200.00
Total 2360 · Transitional Housing Liability	3,330.00
Total Other Current Liabilities	18,674.62
Total Current Liabilities	34,950.42
Long Term Liabilities	
2600 · Opp Bank Cons Loan Payable	328,024.32
Total Long Term Liabilities	328,024.32
Total Liabilities	362,974.74
Equity	
3010 · Unrestrict (retained earnings)	-1,031,692.56
3100 · Temporarily restrict net asset	
3110 · Use restricted net assets	288,299.58
3115 · TempRest NA-Learning Center	2,402,888.89
Total 3100 · Temporarily restrict net asset	2,691,188.47
Net Income	2,361,899.20
Total Equity	4,021,395.11
TOTAL LIABILITIES & EQUITY	4,384,369.85

Family Promise of Gallatin Valley, Inc.

Profit & Loss

July through August 2021

	Jul - Aug 21	Jul - Aug 20
Ordinary Income/Expense		
Income		
4 · Contributed support	127,090.87	120,543.11
5 · Earned revenues	7,509.54	8,141.34
5800 · Special events	8,988.64	9,458.43
Total Income	143,589.05	138,142.88
Gross Profit	143,589.05	138,142.88
Expense		
7200 · Salaries & related expenses	67,159.37	45,370.78
8100 · Operating Expenses	36,587.55	30,905.80
8200 · Occupancy exp - Day Center	1,514.72	1,065.20
8300 · Travel & meetings expenses	27.52	14.15
8500 · Misc expenses	7,132.01	1,094.73
8700 · Volunteer Training/Appreciation	315.51	0.00
8800 · Learning Center	6,155.40	0.00
9200 · Occupancy Exp-Transitional Hous	5,390.61	3,840.35
Total Expense	124,282.69	82,291.01
Net Ordinary Income	19,306.36	55,851.87
Other Income/Expense		
Other Income		
9020 · Unrealized Gains/Losses	0.00	-14,144.24
9021 · Realized Gains/Losses on Invest	0.00	26,706.60
9130 · Gifts in kind - goods	6,316.00	7,838.00
Total Other Income	6,316.00	20,400.36
Other Expense		
9530 · Donations in kind - expense	6,316.00	7,838.00
9805 · Interest Expense	0.00	0.00
Total Other Expense	6,316.00	7,838.00
Net Other Income	0.00	12,562.36
Net Income	19,306.36	68,414.23

FAMILY PROMISE OF GALLATIN VALLEY (FPGV)

FINANCIAL CONTROLS POLICY

Adequate controls must be established and maintained to prevent errors or irregularities in policies. These controls will ensure the organization's accounts and records are accurate and reliable, transactions are properly authorized, and assets are adequately safeguarded. Although the possibility for error always exists, a sound system of internal controls can help to uncover errors as soon as possible and allow for their timely correction. The board of directors acknowledges that effective management of the organization depends on the receipt of accurate and timely information. This policy will be reviewed, updated (as needed) and presented to the Board of Directors for approval annually.

Purpose:

The purpose of this Financial Controls Policy is to provide for the effective control over, ensuring transparency and accountability of all funds received and held by Family Promise of Gallatin Valley, Inc.

General:

A professional services firm(s) will be contracted with to provide accounting and bookkeeping duties. All items will be tracked on formal accounting software (e.g. QuickBooks). The Executive Director (ED) and Board Treasurer (Treasurer) will have full access to the professional services firm(s) to view all transactions. The ED will send financial reports to the Finance Committee for review each month. A financial summary will be made available to all board members prior to the monthly board meeting.

Financial Accounts:

Operating Account:

An operating account will be maintained. Funds will be maintained at the ED's discretion to support day-to-day operational needs (ideally 1 to 2 months of operating expenses). Excess funds will be transferred to a cash or cash equivalent interest-bearing account.

Expense Account:

An additional checking account is established to provide the ED with access to funds and checks for day-to-day operations. Funds may be used to pay for expenses authorized in the approved budget.

Investment Account:

The Finance Committee can engage a professional service provider (e.g. Wells Fargo Advisors) to manage one or more investment account(s) pursuant to FPGV's investment policy (appendix A). Level of funding of the investment account will be at the discretion of the Board and Finance Committee.

The following shall be signors on the accounts detailed above: Board President, Vice President, Treasurer, Secretary, and ED.

Credit Card:

Credit card account(s) exists to pay for expenses authorized in the approved budget. All expenses incurred on these accounts will be supported by appropriate documentation for review by the board or its designee.

Credit Card Processing:

A Credit Card Processing account exists for the convenience of the organization's supporters to make donations or purchase tickets to FPGV sponsored events. The ED is the primary user on the account. Records of account transactions will be provided to the agency's professional service firm for regular reconciliation.

Bank Reconciliation:

All accounts shall be reconciled to the bank statements monthly. Reconciliation shall be performed by an individual who is independent of the receipts and posting processes. The organization's professional services firm(s) will handle reconciliations. The ED and Treasurer will verify reconciliations are completed on a regular basis and in a timely fashion. Monthly reconciliation detailed reports will be made accessible to the ED and Treasurer.

Receipt and Disbursement of Funds:

Segregation of duties in the handling of receipts and disbursement of funds is the recommended method for assuring fiscal accountability. No individual should have complete control in the handling of receipts or disbursement of funds. Specifically, no one individual's duties should include the actual handling of receipts, recording receipt of money, disbursing funds, and the reconciliation of bank accounts. Incoming receipts must be made a matter of record as soon as possible. Disbursement will be made in a timely manner.

Employee Expense Reimbursement:

Employee expense reimbursement will be made pursuant to FPGV's employee handbook.

Board Expense Reimbursement

Board members may occasionally incur expenses that need reimbursement. All expenses incurred by directors must be properly documented and approved by the ED prior to payment. Directors and any volunteer will use FPGV's current expense reimbursement form (appendix B) for all expense reimbursements.

Payroll:

The organization will engage a professional services firm(s) to handle all payroll activities, including salary disbursements, required report filings and payments, and reporting to the ED. Employees shall be paid according to the Salary Administration section of the FPGV Employee Handbook.

In-Kind Donations:

FPGV welcomes most in-kind donations that support our mission, are consistent with our policies and are properly accounted for and acknowledged. Please see FPGV's gift acceptance policy (appendix C) for additional information.

Capital Expenditures:

All assets acquired under \$2,500 should normally be expensed. If a multiple of items are purchased and, in the aggregate, exceed \$2,500, they should be capitalized. Typically, the items are expensed when purchased, where they are budgeted until year-end, they are moved to the balance sheet and depreciated.

Board Review of Financial Documents:

The BOD receives and reviews sufficient and relevant information pertaining to the financial condition of the organization at each board meeting. Report may include, but is not limited to;

- Donations for Month
- Profit & Loss for Month
- Profit & Loss: Budget vs. Actual for Month
- Profit & Loss YTD: Prior Year Comparison
- Balance Sheet: Prior Year Comparison
- Investments Recap (quarterly)

The BOD receives and reviews sufficient and relevant information pertaining to the financial condition of the organization at the close of the fiscal year. Report may include, but are not limited to;

- End of Year Profit and Loss Statement (summary and details)
- End of Year Profit and Loss Statement vs. Budget
- End of Year Balance Sheet
- End of Year Investments Recap

While the organization utilizes a professional firm to compile the required Form 990 Return of Organization Exempt from Income Tax filings, the Board receives, reviews and approves the completed 990 prior to filing.

Audit and/or Financial Review:

An audit or financial review of agency finances may be completed at the discretion of the Board. The Board shall approve the firm to be used for each audit and/or financial review.

Appendix A: Family Promise of Gallatin Valley Investment Policy (adopted 12/6/17)

Overview

Responsibility for all financial matters of the organization rests with the board; however, consistent with that responsibility, authority for making recommendations on investments is delegated to the Finance Committee. Organization funds may be invested in a variety of investment vehicles to maximize total return consistent with a prudent level of risk to ensure continued success of the charitable purposes of the organization. Preservation of principal is core to the organization investment policy. A Financial Advisor may be selected through a process as deemed necessary by the Finance Committee and approved by the board, the Finance Committee may also recommend whether or not the board authorize a discretionary agreement with the Financial Advisor.

Performance will be reviewed at least annually, and compared to overall investment objectives and capital market returns which are benchmarked against appropriate market indices and other pertinent measures. The Financial Advisor will keep the Finance Committee informed of any material changes to investments as well as any other pertinent information potentially affecting the performance of investments. The Finance Committee will report to the board at monthly board meetings regarding noteworthy changes as they come about. Quarterly reports from investments will be provided to the Finance Committee and the board. Annual reports will be presented to the board at a regularly-scheduled board meeting.

Operating Funds

Upon approval of the board, FPGV may invest a reasonable amount of cash in short term investments in the following manner: savings accounts, money market accounts, certificate of deposits, and treasury bills, as well as any other risk free assets. These investments may be made with some or all of the funds which the organization holds in its: (1) operating funds; (2) operating reserves; (3) temporarily restricted net assets. The organization will ensure cash and cash equivalents are FDIC/NCUA insured.

Long Term

The organization may invest cash assets designated for long term growth otherwise not deemed as operating funds in equities and bonds, with the objective of long-term growth of the assets in mind. The asset allocation recommended is:

- 60% equities
- 40% bonds
- Plus or minus 10%

The Finance Committee will be responsible for recommending to the board the amount of said long term investments, and the actual placement of the funds with a Financial Advisor upon board approval.

Donated Stock

Individual stocks received as donations to the agency may be liquidated upon receipt at the direction of the organization's Financial Advisor. Funds may be kept in the investment account and reinvested to maintain the recommended asset allocation.

Appendix B: Family Promise of Gallatin Valley Expense Reimbursement Request

Name: _____ FPGV Position: _____

Mailing Address: _____

Request Date: _____

EXPENSE DETAILS

Date Incurred	Vendor, Description & Purpose, Attendees (when applicable)	Amount	Budget Code
	Total		

TRAVEL

Date	Starting Point	Time of Departure	Destination	Time of Return	Total Miles	Mileage at \$.58	Daily Total	Budget Code
Travel Amount Due Employee								

Total Requested for Reimbursement	
-----------------------------------	--

I am requesting reimbursement of the above itemized expenses incurred by me on behalf of Family Promise of Gallatin Valley.

Signature: _____

Date: _____

Reimbursement Authorization: _____

Date: _____

Appendix C: Gift Acceptance Policy (adopted 4/17/19)

Gift Acceptance

The Executive Director of Family Promise of Gallatin Valley, Inc. (“FPGV”) and the Board of Directors (Board) has the authority to solicit and/or accept gifts on behalf of FPGV in order to further the mission of the organization and to support special projects authorized by the Board.

Gifts generally accepted include gifts of cash, marketable securities, bequests and beneficiary designations under wills and trusts [charitable remainder trust and charitable lead trust].

Restrictions on Gifts

FPGV will not accept gifts that 1) would result in FPGV violating its corporate charter, 2) would result in FPGV losing status as a 501(c)(3) organization, (3) are too difficult or too expensive to administer in relation to their value, or (4) are from individuals or entities whose practices, policies, or operations are deemed unacceptable and contrary to the values, mission, and well-being of the organization. Decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Executive Committee, in consultation with the Executive Director.

Gifts Subject to Review

The following gifts may be subject to review by the Executive Committee and the Executive Director. FPGV will also seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by the Executive committee and/or legal counsel is recommended for, but not limited to the following:

1. Restricted marketable securities
2. Closely held stock
3. Life Insurance policies
4. Real Estate

5. Tangible personal property that is not readily marketable or that cannot be readily used in furtherance of the FPGV's mission
6. Gifts naming FPGV as a fiduciary or requiring FPGV to act in a fiduciary capacity
7. Gifts requiring FPGV to assume financial or other obligations
8. Transactions with potential conflicts of interest
9. Gifts of property which may be subject to environmental or other regulatory restrictions

In-Kind Donations

FPGV accepts services or equipment that can be of use or can be quickly sold. This includes, but is not limited to: rental space, professional services, office furnishings, vehicles, fixtures, and other operational equipment. The donor must supply an appraisal for equipment or goods contributed and valued over \$5,000. If the value appears unreasonable, FPGV retains the right to adjust the value for accounting purposes.

In-kind donations are to be used exclusively for the organization and are not to be used by Board members, volunteers or employees for personal purposes.

For more guidance on vehicle donations, please review FPGV's Vehicle Acceptance Guidelines.

Related Experience with Projects Similar to the Scope of Services

Family Promise of Gallatin Valley Mission and Vision:

For 15 years Family Promise has been dedicated the mission of empowering homeless families with children to achieve self-sufficiency through partnerships, services and advocacy. Our vision is to end homelessness in the Gallatin Valley, one family at a time.

Outline of Current Programs and Services:

FPGV has three central areas of assisting families experiencing homelessness or at risk of becoming homeless: Prevention, Emergency Shelter, and Stabilization.

1. **Prevention:** Our prevention program model is based on a combination of case management, opportunity, and community involvement. We empower the families we serve and ensure they are homeless no more.

Family Promise of Gallatin Valley prevents family homelessness in two ways:

- a. **Eviction Prevention:** We assist families in the mediation of evictions, provide rental and utility assistance, and provide case management. Our approach prevents homelessness and keeps children in stable homes.
- b. **Help Us Move In (HUMI):** We prevent families from experiencing homelessness by assisting with finding housing quickly. Coupled with case management, we provide financial assistance with move-in costs, including first and last month's rent and security deposits.

2. **Emergency Shelter:** The central component of our programming is our Emergency Shelter Program (ESP) where we offer shelter for homeless families by coordinating with over 2000 volunteers that provide evening meals. We currently have two shelter locations: St. James Rectory and the Family Promise Day Center. The Day Center also houses our Family Case Manager's office where families receive intensive case management services, assistance with completing housing applications, and more. Prior to COVID – 19 all staff members had offices in the Day Center, but in our effort to serve more families, we converted our offices into bedrooms. Over the past 15 years, Family Promise has graduated more than 70% of the 200 families we served in our Shelter Program with gainful employment, childcare, and affordable housing.
3. **Stabilization:** Our goal is not simply getting families into housing, it is keeping them in housing. We do this in two ways:
 - a. **Transitional Housing:** The Families Forward Transitional Housing Program is for families that have graduated from our Emergency Shelter Program. It is intended to help families with their next step in becoming self-sufficient. We believe that by providing transitional housing, coupled with a case management plan, families will be equipped to successfully navigate Bozeman's unique housing environment.

Currently, we operate 9 different housing units. Families have the opportunity to stay in transitional housing for up to 2 years. This length of time provides consistency and stability for children, gives families time to create and implement a savings plan, and builds positive rental history. Families will continually be working towards finding permanent housing during their participation.

Rent for families in our Transitional Housing Program starts off below market rate (\$350), and every 6 months is increased by \$150. Families build this increase in rental rate into their budget, with the goal of paying a near market rate for rent by the time the family is ready to leave our Transitional Housing Program. With this strategy, families are more successful at securing affordable housing when they leave Family Promise. We want families to experience lasting success. To help with the cost of a future security deposit, first and last month rent, or moving costs, Family Promise returns to the family exiting our transitional housing any monies paid for rent that are over the costs of operating the apartment, if families work continuously with our case managers and appropriately maintain their transitional housing home.

- b. **Graduate Support Services:** As families get closer to graduating from our emergency shelter program, they may experience anxiety as well as excitement. The anticipation of being in their own home, with their own bed to sleep in, is rivaled by the fear of falling back on hard times and not having the safety net of FPGV staff and volunteers. Through the Moving Mountains graduate support program, FPGV works with families who have participated and graduated from our emergency shelter program. During their time at Family Promise, families have received intensive case management and support, and this should not stop after 90 days. We remain focused on helping families engage in the local community and continue their successes and achievements.

Description of Program

COVID-19 affected Gallatin Valley households in unprecedented ways. Over the past year, the Gallatin Valley has experienced a population increase of remote workers and others seeking to live in the Bozeman area. The overall reasoning behind this population boom is still speculation, but its affects have undoubtedly disrupted the economic stability of the Gallatin Valley and has caused housing insecurities for our community's most vulnerable members. To meet this increase of families who have been displaced due to an increase of rental costs, the sale of their rental home, the inability to find a home due to an extremely competitive market, etc., Family Promise has increased its shelter capacity from just four families a time a year ago, to currently serving 19 families at a time.

The families we serve require more assistance than just a safe shelter space for sleeping, making meals, and getting ready for school and work. They also need direct assistance with paying for gas, paying cell phone bills, and the cost of work uniforms and work clothes. They also need assistance with rental application fees, car maintenance costs, mental health and well-being costs, and childcare costs while they are working or attending vital appointments.

When housing was more readily available, families would average less than 90 days in our shelter program, but with a shortage of affordable rentals combined with a highly competitive housing market, families are averaging 180 day stays. With this in mind, we are expecting to serve 30 families in our shelter program this year. On average, \$2,521.00 in direct support is provided per family for their unique needs in their efforts to regain self-sufficiency and independent housing. In total, this year we expect to provide families with \$75,630 in direct support to households affected by the negative economic impacts caused by the COVID – 19 pandemic.

Many of the families that come to Family Promise for shelter have exhausted their finances on motel costs, and oftentimes, only one parent is able to have employment due to a lack of childcare. When they enter our shelter program, we provide them with financial assistance that many other organizations in Bozeman cannot provide.

Family Promise of Gallatin Valley is requesting \$75,630 in funding to directly assist families experiencing homelessness. Family Promise serves families of all compositions. We welcome everyone in the community to be a part of the solution to empower families experiencing homelessness, and ultimately, regain and retain the safety, security, and opportunity that comes with have a home.

Family Promise will comply with all Federal Requirements and will comply with reporting requirements the city sets forth. FPGV serves economically disadvantaged families of all color, disabilities, genders, and languages. The only requirement we have across our programming is that the household must have children under their primary custody and/or be pregnant.

Funds granted will be distributed to families during the calendar year of year granted.

Proposed Schedule for Program Distribution and Funding Distribution

Funds granted will be distributed directly to families on a need basis to directly pay for goods or services deemed essential by Family Promise in the care of families experiencing homelessness and their efforts at regaining housing stability. We estimate \$2,521.00 per family of direct support. Monies granted will be distributed to families during the calendar year.

Attachment A NONDISCRIMINATION AND EQUAL PAY AFFIRMATION

Family Promise of Gallatin Valley _____ (name of entity submitting) hereby affirms it will not discriminate on the basis of race, color, religion, creed, sex, age, marital status, national origin, or because of actual or perceived sexual orientation, gender identity or disability and acknowledges and understands the eventual contract will contain a provision prohibiting discrimination as described above and this prohibition on discrimination shall apply to the hiring and treatments or proposer's employees and to all subcontracts.

In addition, Family Promise of Gallatin Valley _____ (name of entity submitting) hereby affirms it will abide by the Equal Pay Act of 1963 and Section 39-3-104, MCA (the Montana Equal Pay Act), and has visited the State of Montana Equal Pay for Equal Work "best practices" website, <https://wayback.archive-it.org/499/20210701223409/https://equalpay.mt.gov/>, or equivalent "best practices" publication and has read the material.

Christel Chvilicek, Executive Director

Name and title of person authorized to sign on behalf of submitter

Exhibit A
Program Proposal

Executive Summary of the Program

The Montana Racial Equity Project (MTREP) is proposing to offer financial assistance and resource distribution to households and workers impacted by the COVID-19 public health crisis. Through our COVID-19 Crisis Fund, we would help those financially impacted by helping to purchase groceries, winter clothing, gas cards, baby essentials, women's hygiene items, rent assistance, and other financial support as deemed necessary. In collaboration with the Montana Immigrant Justice Alliance (MIJA), we would distribute monetary assistance and identified items to lessen the financial burden on these community members impacted by COVID-19 and its effects.

Firm/ Individual Profile

The Montana Racial Equity Project (MTREP) advocates equity and justice for historically marginalized, disenfranchised, and oppressed peoples in Montana. MTREP directs resources, energy, and time toward addressing racial inequity and injustice in Montana through community organizing, education, and base building. Our purpose is to educate and activate Montanans for that which we advocate. In working towards this, we lift the voices and elevate the agency of BIPOC through an intersectional lens and develop antiracist leaders and organizers.

As the only black-led racial justice organization in the state, we are dedicated to empowering Black, Brown, Indigenous, and people of color (BIPOC) to acknowledge their racial trauma, learn, heal, and stand up for their civil rights. Our promise as an organization is to lift the voices and elevate the agency of BIPOC in every aspect of our work and put their voices at the forefront of our initiatives and community organizing. The goal has always been to educate and activate Montanans to reduce all expressions of racism, bigotry, and prejudice towards historically marginalized, disenfranchised, and oppressed people. We achieve this through educational workshops, community events, community organizing, EIJ consulting, and programs designed specifically for the benefit and betterment of BIPOC lives.

Most recent Financial Statement Audit report and Management letter and most recent Single Audit report if one has been performed in the last 4 years

The Montana Racial Equity Project

Budget vs. Actuals: 2020 Budget - FY20 P&L

January - December 2020

	TOTAL		
	ACTUAL	BUDGET	OVER BUDGET
Revenue			
Consultation Fees	22,000.00	2,700.00	19,300.00
Government Grants and Contracts	302,568.50	196,705.00	105,863.50
Individual Contributions			
Charitable Contributions	346,918.97	7,075.00	339,843.97
End of Year Appeal	19,335.00	13,000.00	6,335.00
GBGV	17,730.75	15,000.00	2,730.75
Sponsorship Contributions		500.00	-500.00
Total Individual Contributions	383,984.72	35,575.00	348,409.72
Investments	21.05		21.05
Program Income			
Program Service Fees	20,289.00	8,280.00	12,009.00
Sponsors		35,000.00	-35,000.00
Total Program Income	20,289.00	43,280.00	-22,991.00
Restricted Grants			
COVID Relief	95,079.50		95,079.50
Total Restricted Grants	95,079.50		95,079.50
Sales - Conference Registration		60,000.00	-60,000.00
Sales of Product Income		2,000.00	-2,000.00
Scholarship Donation	300.00		300.00
Temp Restricted Funds			
Black Student Academic Support Fund	1,900.00	3,600.00	-1,700.00
Total Temp Restricted Funds	1,900.00	3,600.00	-1,700.00
Workshop Scholarship Fund		420.00	-420.00
Total Revenue	\$826,142.77	\$344,280.00	\$481,862.77
GROSS PROFIT	\$826,142.77	\$344,280.00	\$481,862.77
Expenditures			
Advertising and Marketing	1,743.00	4,450.00	-2,707.00
Bank Charges	4,674.15	1,575.00	3,099.15
Business Expenses			
Business Registration Fees	20.06	135.00	-114.94
Total Business Expenses	20.06	135.00	-114.94
Continuing Education	12,196.25	3,500.00	8,696.25
Contract Services			
Accounting Fees	7,018.34	13,000.00	-5,981.66
Grant Writing, Research Expense	15,504.85	27,000.00	-11,495.15
Legal Fees	142.50	1,200.00	-1,057.50
Outside Contract Services	18,201.62	28,200.00	-9,998.38
Total Contract Services	40,867.31	69,400.00	-28,532.69
COVID Relief Expense	95,079.50		95,079.50
Dues and Subscriptions	8,057.84	2,335.00	5,722.84

The Montana Racial Equity Project

Budget vs. Actuals: 2020 Budget - FY20 P&L

January - December 2020

	TOTAL		
	ACTUAL	BUDGET	OVER BUDGET
Event Expenses	90.05	1,250.00	-1,159.95
Facilities and Equipment			
Equip Rental and Maintenance	168.00	450.00	-282.00
Property Insurance		25,000.00	-25,000.00
Rent, Parking, Utilities	26,362.99		26,362.99
Total Facilities and Equipment	26,530.99	25,450.00	1,080.99
Fundraising Expenses		150.00	-150.00
Health Insurance	7,908.46		7,908.46
Insurance and Benefits	553.85		553.85
Legal and Professional Fees	3,252.50	2,000.00	1,252.50
Manager, Equity, Inclusion, Justice and Outreach	3,384.62		3,384.62
Meals and Entertainment	307.43	2,590.00	-2,282.57
Mileage	1,546.44	9,000.00	-7,453.56
Office Supplies	10,055.27	7,100.00	2,955.27
Operations			
Postage, Mailing Service		75.00	-75.00
Printing and Copying	561.73	200.00	361.73
Repair and Maintenance	1,632.29	750.00	882.29
Supplies	1,610.43	600.00	1,010.43
Telephone, Telecommunications	977.31	2,000.00	-1,022.69
Total Operations	4,781.76	3,625.00	1,156.76
Other Types of Expenses			
Insurance - Liability, D and O	1,127.50	1,200.00	-72.50
Insurance - Worker's Comp	816.61		816.61
Total Other Types of Expenses	1,944.11	1,200.00	744.11
Payroll Expenditures	1,250.00		1,250.00
Payroll Expenses			
Community Engagement Lead	10,769.22		10,769.22
Criminal Justice Lead	10,769.22		10,769.22
Education Admin	2,628.23	7,500.00	-4,871.77
Education Initiative Lead	10,769.22	38,000.00	-27,230.78
Executive Assistant	10,091.25		10,091.25
Executive Director Salary	48,653.79	45,000.00	3,653.79
Insurance and Benefits	2,192.36	6,000.00	-3,807.64
Manager, Equity, Inclusion, Justice Consulting	11,308.10		11,308.10
Operations & Communications Assistant	24,803.15	3,315.00	21,488.15
Payroll Tax Expense	14,853.09	10,357.80	4,495.29
Programs, Events and Outreach Admin	25,538.49	38,000.00	-12,461.51
Special Projects Lead	15,076.76		15,076.76
Unemployment Insurance	1,381.98	1,000.00	381.98
Total Payroll Expenses	188,834.86	149,172.80	39,662.06
Program Expense			

The Montana Racial Equity Project

Budget vs. Actuals: 2020 Budget - FY20 P&L

January - December 2020

	ACTUAL	TOTAL	
		BUDGET	OVER BUDGET
Facilities Rental	250.00	30,990.00	-30,740.00
Program Advertising	541.84	825.00	-283.16
Program Materials and Supplies	3,388.60	5,420.00	-2,031.40
Program Speaking Fee	700.00		700.00
Total Program Expense	4,880.44	37,235.00	-32,354.56
Security Monitoring	273.00		273.00
Software and Apps	5,506.00		5,506.00
Staff Bonus	15,268.02		15,268.02
Travel and Meetings	76.52		76.52
Conference, Convention, Meeting	1,740.03	19,650.00	-17,909.97
Travel	2,757.69	3,700.00	-942.31
Total Travel and Meetings	4,574.24	23,350.00	-18,775.76
Website Expense	4,853.44		4,853.44
Workmans Comp Insurance	1,164.21		1,164.21
Total Expenditures	\$449,597.80	\$343,517.80	\$106,080.00
NET OPERATING REVENUE	\$376,544.97	\$762.20	\$375,782.77
NET REVENUE	\$376,544.97	\$762.20	\$375,782.77

Related Experience with Projects Similar to the Scope of Services

During the height of the pandemic, MTREP created the COVID-19 Crisis Fund to provide financial assistance and relief to the underserved and marginalized members of our community who had limited access to financial services or traditional resources. Well-versed in community organizing, MTREP was able to utilize our skills and expertise to help mobilize resources for our community and provide financial assistance on a case-by-case basis to those in need. Through our COVID-19 Crisis Fund, we prioritized (and continue to prioritize) the marginalized communities we serve, such as Black, Brown, Indigenous, people of color (BIPOC) and LGBTQIA, while expanding our support to include sick, disabled, quarantined without pay, elderly, working class individuals and families, and undocumented community members. These funds assisted individuals and families who needed income assistance, funds to cover sick leave, help buying groceries, making rent or utility payments, covering health expenses, school costs, and a myriad of other needs as they arose. MTREP's Covid-19 Crisis fund started with \$4,525, but it was depleted within 24 hours because of the need! We received \$15,652 from the Southwest Montana Covid Response Fund, as well as support from other charitable foundations and donations from individuals. To date, we have expended over \$95,000 in financial support to those who are most at-risk, serving roughly 150 people across the state.

Detailed Description of the Program

o How the program addresses the negative economic impacts caused by the public health emergency, including economic harms to workers and households.

COVID-19 has had a dramatic effect on the needs of the underserved individuals and families we serve, financially, mentally, socially, and physically. Through our COVID-19 Crisis Fund, we will help mitigate the economic hardship on workers and households by mobilizing resources for our community and providing financial assistance on a case-by-case basis to those in need. Through our COVID-19 Crisis Fund, we will prioritize assistance to the marginalized communities we serve: BIPOC, LGBTQIA2s+, the disabled, the elderly, working class individuals and families, and undocumented community members. These funds will be used to assist workers and families who may need income assistance, funds to cover sick leave, help buying groceries, making rent or utility payments, covering health expenses, covering gas to get to and from work, buying winter clothes, and a myriad of other needs as they arise.

o How much funding is being requested (\$ 500,000 or less, including of administrative fees.)

We are requesting \$75,000 to be used for financial assistance and purchase of resources to marginalized groups.

o How the funding will be distributed to households andor workers.

The funding will be distributed through an application process. Households and workers who have faced negative economic impacts of the COVID-19 pandemic can submit a request for financial assistance, detailing what they need support with, and MTREP will review each application. We have a low-barrier

application process to make it equitable and accessible for the marginalized communities we serve. We will distribute the monetary amounts via Venmo, Paypal, check, or gift card depending upon the needs of the applicant. MTREP will also coordinate with the Montana Immigrant Justice Alliance (MIJA) to distribute funds and resources to

o What, if any, administrative fees will be charged to the program

To fulfill the services outlined in this proposal, we will need to hire a part-time employee to oversee and manage the COVID-19 Crisis Fund. We anticipate the administrative costs associated with this will be \$15,000 and will be used to purchase a laptop and laptop accessories, register a Zoom account, and pay an \$18 p/hr salary for the manager of this fund, along with other internal expenses.

o How it will comply with Federal Requirements

Our program will comply with Federal Requirements by using the award funds to respond to the COVID-19 public health emergency or its negative economic impacts. As a subrecipient, we will submit all required Project and Expenditure quarterly reports within thirty days after the end of each calendar quarter. We will report on appropriate projects, expenditures, project status, and demographic distribution.

o How it will comply with requirements for City reporting.

Grant funds will be used as described in this proposal as a permissible use of ARPA funding. Costs incurred shall only be necessary and allowable to carry out the proposed activities of the Approved Services from the City. On or before the twentieth day of each month, our organization shall submit invoices to the City setting forth actual expenditures in accordance with this agreement. We will complete and submit any required reports in a timely and professional manner as determined by the grant agreement.

o How the program (or firm?)addresses equity and the intersectional impacts of COVID- 19 for any or all of the following: households below poverty level, people of color, people with disabilities, LGBTQ+ individuals, and people with limited English proficiency

COVID-19 has disproportionately affected BIPOC communities financially, mentally, physically and socially by increasing the extensive wealth gap that exists in our country and deepening the health disparities among BIPOC individuals. Our Covid-19 Crisis Fund will prioritize BIPOC, LGBTQIA2s+, the disabled, the elderly, working class individuals and families, undocumented community members, and those with limited English proficiency in order to get these households, workers, and individuals the necessary resources they need with rapid response. While our COVID-19 Crisis Fund has not been designed to last long-term (as we hope COVID-19 is not a permanent part of our lives) we see the negative financial impact it has had on these marginalized and underserved community members and are committed to providing them with financial assistance and peer support. These populations of people need to know that they have a support system in the community and can utilize MTREP as a resource. While this fund may not be a permanent service we provide, the financial assistance shows

these individuals that there are organizations in Bozeman that they can turn to for support and resources in the future. Additionally, we also see this as an opportunity for the city to show these marginalized community members that they are worth investing in and that the city cares about their lives, which could result in a renewed level of trust in the government thus bucking.

Our long-term strategy is to continue to develop creative and dynamic measures by which to effect transformational change in racial justice and begin de-colonizing traditional white - colonized - ways of being and knowledge in order to support these communities impacted by COVID-19.

Proposed Schedule for program and funding distribution (must be fully distributed before

July 31, 2024.)We anticipate fully distributing the awarded amount within one year of receipt of funds. We anticipate the following schedule:

November 2021-Hire a part-time assistant to oversee the COVID-19 Crisis Fund.

December 2021-Coordinate with Montana Immigrant Justice on an action plan and determine shared roles and responsibilities.

Ongoing-receive applications from individuals and households who are experiencing financial burdens as a result of the public health emergency.

Ongoing-review applications and make determinations on financial support and resources to be dispatched.

Ongoing- monetary support and resources are allocated to workers and households in need.

Attachment A

NONDISCRIMINATION AND EQUAL PAY AFFIRMATION

The Montana Racial Equity Project (MTREP) _____ (name of entity submitting) hereby affirms it will not discriminate on the basis of race, color, religion, creed, sex, age, marital status, national origin, or because of actual or perceived sexual orientation, gender identity or disability and acknowledges and understands the eventual contract will contain a provision prohibiting discrimination as described above and this prohibition on discrimination shall apply to the hiring and treatments or proposer's employees and to all subcontracts.

In addition, MTREP _____ (name of entity submitting) hereby affirms it will abide by the Equal Pay Act of 1963 and Section 39-3-104, MCA (the Montana Equal Pay Act), and has visited the State of Montana Equal Pay for Equal Work "best practices" website, <https://wayback.archive-it.org/499/20210701223409/https://equalpay.mt.gov/>, or equivalent "best practices publication and has read the material.

Attn: Judith Heilman, Exec Dir

Name and title of person authorized to sign on behalf of submitter

GRANT SUBRECIPIENT AGREEMENT

AMERICAN RESCUE PLAN HOUSEHOLD EFFORTS SUB AWARD

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between the City of Bozeman, Montana, a self-governing municipal corporation located at 121 N. Rouse Ave., Bozeman MT 59771 ("City") as GRANTOR and The Montana Racial Equity Project (MTREP), a 501c3 nonprofit located at 234 E. Babcock Street, Bozeman, MT 59715 as SUBRECIPIENT.

WHEREAS, on October 17, 2005 the Bozeman City Commission adopted Resolution No. 3866 establishing policies for the granting of funds from the City of Bozeman to a requesting entity; and WHEREAS, MTREP submitted a proposal to the City for a program that complies with the term of the American Rescue Plan for household assistance efforts for \$75,000; and

THE PARTIES AGREE:

1. **The Sub Award.** The City will award and release to SUBRECIPIENT a sum of up to [seventy-five thousand dollars (\$75,000)] from its American Result Plan Act (ARPA) award [name of fund] Fund, (the "Grant") pursuant to the payment terms in Section 3.
2. **Use of Funds.** Grant funds in the amount of up to seventy-five thousand dollars (\$75,000) will be used by SUBRECIPIENT for the sole purpose of redistribution of emergency funds to the community which is a permissible use of ARPA funds, as described in the proposal submitted by Subrecipient, attached hereto as Exhibit A and by this reference incorporated herein.
3. **Term.** Program and expenditures must be performed during the term of the date of execution of this agreement through June 30, 2022 (FY23).
4. **Payment of Funds**
 - a. The agrees to reimburse Subrecipient for costs actually incurred and paid by Subrecipient in accordance with the Approved Budget attached hereto as Exhibit B and for the performance of the Approved Services under this Agreement in an amount not to exceed \$75,000 (the "Total Agreement Funds").
 - b. The amount of Total Agreement Funds, however, is subject to adjustment by City if a substantial change is made in the Approved Services that affects this Agreement or if this Agreement is terminated prior to the expiration of the Agreement as provided in Section 3 above. Program funds shall not be

expended prior to the Effective Date, or following the earlier of the expiration or termination of this Agreement.

- c. Costs incurred shall only be as necessary and allowable to carry out the purposes and activities of the Approved Services and may not exceed the maximum limits set in the Approved Budget.
- d. Expenses charged against the Total Agreement Funds shall be incurred in accordance with the American Rescue Plan and the Federal Treasury's guidance, Office of Budget and Management Guidance, and City purchasing policies.
- e. Invoices. On or before the twentieth (20th) day of each month and in any event no later than thirty (30) days after the earlier of the expiration or termination of this Agreement, Subrecipient shall submit invoices, in a form supplied by City, for the most recent month ended, to City, setting forth actual expenditures of Subrecipient in accordance with this Agreement. Within ten (10) working days from the date it receives such invoice, City may disapprove the requested compensation. If the compensation is so disapproved, City shall notify Subrecipient as to the disapproval. If payment is approved, no notice will be given.
- f. Subrecipient may request the Grant funds during the fiscal year ending June 30, 2022 and June 30, 2023 as needed by providing proof of expenses paid. Acceptable forms of proof of payment shall be as determined in the sole discretion of the City's Director of Finance.
- g. Any funds from the sub award not awarded during the fiscal year ending June 30, 2023 will remain in the City's ARPA Fund and will be available for other appropriation.

5. Subrecipient Representations

- a. SUBRECIPIENT has familiarized itself with the nature and extent of this Agreement and with all local conditions and federal, state and local laws, ordinances, rules, and regulations that in any manner may affect Subrecipient's performance under this Agreement. Specific Treasury Guidance attached in Exhibit C.
- b. SUBRECIPIENT represents and warrants to City that it has the experience and ability to perform its obligations under this Agreement; that it will perform said obligations in a professional, competent and timely manner and with diligence and skill; that it has the power to enter into and perform this Agreement and grant the rights granted in it; and that its performance of this Agreement shall

not infringe upon or violate the rights of any third party, whether rights of copyright, trademark, privacy, publicity, libel, slander or any other rights of any nature whatsoever, or violate any federal, state and municipal laws. The City will not determine or exercise control as to general procedures or formats necessary for SUBRECIPIENT to meet this warranty.

- c. SUBRECIPIENT represents and warrants to City that the Grant funds are necessary to accomplish the financial requirements of the redistribution of emergency funds to the community.
- d. SUBRECIPIENT shall maintain a financial management system and financial records and shall administer funds received pursuant to this Agreement in accordance with all applicable federal and state requirements. Subrecipient shall adopt such additional financial management procedures as may from time to time be prescribed by City if required by applicable laws, regulations or guidelines from its federal and state government funding sources. Subrecipient shall maintain detailed, itemized documentation and records of all income received and expenses incurred pursuant to this Agreement.
- e. Any item of expenditure by Subrecipient under the terms of this Agreement which is found by auditors, investigators, and other authorized representatives of City, the City's external Auditor, the U.S. Government Accountability Office or the Comptroller General of the United States to be improper, unallowable, in violation of federal or state law or the terms of the Notice of Prime Award or this Agreement, or involving any fraudulent, deceptive, or misleading representations or activities of Subrecipient, shall become Subrecipient's liability, to be paid by Subrecipient from funds other than those provided by City under this Agreement or any other agreements between City and Subrecipient. This provision shall survive the expiration or termination of this Agreement.
- f. In any fiscal year in which Subrecipient expends \$750,000 or more in federal awards during such fiscal year, including awards received as a subrecipient, Subrecipient must comply with the federal audit requirements contained in the Uniform Guidance, [45 CFR Part 75], including the preparation of an audit by an independent Certified Public Accountant in accordance with the Single Audit Act Amendments of 1996, 31 U.S.C. 7501-7507, and with Generally Accepted Accounting Principles. If Subrecipient expends less than \$750,000 in federal awards in any fiscal year, it is exempt from federal audit requirements, but its records must be available for review by City and appropriate officials. Subrecipient shall provide City with a copy of Subrecipient's most recent audited financial statements, federal Single Audit report, if applicable (including financial statements, schedule of expenditures of federal awards, schedule of findings and

questioned costs, summary of prior audit findings, and corrective action plan, if applicable), and management letter within thirty (30) days after execution of this Agreement and thereafter within nine (9) months following the end of Subrecipient's most recently ended fiscal year.

- g. Final payment request(s) under this Agreement must be received by City no later than thirty (30) days from the earlier of the expiration date or termination date of this Agreement. No payment request will be accepted by City after this date without authorization from City. In consideration of the execution of this Agreement by City, Subrecipient agrees that acceptance of final payment from City will constitute an agreement by Subrecipient to release and forever discharge City, its agents, employees, representatives, affiliates, successors and assigns from any and all claims, demands, damages, liabilities, actions, causes of action or suits of any nature whatsoever, which Subrecipient has at the time of acceptance of final payment or may thereafter have, arising out of or in any way relating to any and all injuries and damages of any kind as a result of or in any way relating to this Agreement. Subrecipient's obligations to City under this Agreement shall not terminate until all closeout requirements are completed to the satisfaction of City. Such requirements shall include, without limitation, submitting final reports to City and providing any closeout-related information requested by City by the deadlines specified by City. This provision shall survive the expiration or termination of this Agreement.

6. Cooperation in Monitoring and Evaluation.

- a. City Responsibilities. City shall monitor, evaluate and provide guidance and direction to Subrecipient in the conduct of Approved Services performed under this Agreement. City has the responsibility to determine whether Subrecipient has spent funds in accordance with applicable laws, regulations, including the federal audit requirements and agreements and shall monitor the activities of Subrecipient to ensure that Subrecipient has met such requirements. City may require Subrecipient to take corrective action if deficiencies are found.
- b. Subrecipient Responsibilities.
 - i. Subrecipient shall permit City to carry out monitoring and evaluation activities, including any performance measurement system required by applicable law, regulation, funding sources guidelines or by the terms and conditions of the applicable Notice of Prime Award, and Subrecipient agrees to ensure, to the greatest extent possible, the cooperation of its agents, employees and board members in such monitoring and

evaluation efforts. This provision shall survive the expiration or termination of this Agreement.

- ii. Subrecipient shall cooperate fully with any reviews or audits of the activities under this Agreement by authorized representatives of City, the U.S. Government Accountability Office or the Comptroller General of the United States and Subrecipient agrees to ensure to the extent possible the cooperation of its agents, employees and board members in any such reviews and audits. This provision shall survive the expiration or termination of this Agreement.

7. **Reports/Accountability/Public Information.** SUBRECIPIENT must allow the City, its auditors, and other persons authorized by the City to inspect and copy its books and records for the purpose of verifying that monies provided to SUBRECIPIENT pursuant to this Agreement were used in compliance with this Agreement and all applicable provisions of federal, state, and local law. SUBRECIPIENT will retain such records for seven years after receipt of final payment under this Agreement unless permission to destroy them is granted by the City. SUBRECIPIENT shall not issue any statements, releases or information for public dissemination without prior approval of the City.
8. **Permits and Compliance With Laws.** Subrecipient will obtain, in a timely manner, all required permits, licenses and approvals, and will meet all requirements of all local, state and federal laws, rules and regulations which must be obtained or met in connection with construction of the Project
9. **Independent Contractor Status.** The parties agree that SUBRECIPIENT, its agents, employees, contractors, or subcontractors, are independent contractors for purposes of this Agreement and are not to be considered employees or agents of the City for any purpose. SUBRECIPIENT and its agents, employees, contractors, or subcontractors, are not subject to the terms and provisions of the City's personnel policies handbook and may not be considered a City employee for workers' compensation or any other purpose. SUBRECIPIENT, its agents, employees, contractors, or subcontractors, are not authorized to represent the City or otherwise bind the City in any way.
10. **Default and Termination.** If SUBRECIPIENT fails to comply with any condition of this Agreement at the time or in the manner provided for, the City may terminate this Agreement if the default is not cured within fifteen (15) days after written notice is provided to SUBRECIPIENT. The notice will set forth the items to be cured. If this

Agreement is terminated pursuant to this Section, SUBRECIPIENT will repay to the City any Grant funds already delivered to SUBRECIPIENT for the redistribution of emergency funds to the community.

11. Limitation on SUBRECIPIENT's Damages; Time for Asserting Claim

- a. In the event of a claim for damages by SUBRECIPIENT under this Agreement, SUBRECIPIENT's damages shall be limited to contract damages and SUBRECIPIENT hereby expressly waives any right to claim or recover consequential, special, punitive, lost business opportunity, lost productivity, field office overhead, general conditions costs, or lost profits damages of any nature or kind.
- b. In the event SUBRECIPIENT wants to assert a claim for damages of any kind or nature, SUBRECIPIENT must first provide City with written notice of its claim, the facts and circumstances surrounding and giving rise to the claim, and the total amount of damages sought by the claim, within ninety (90) days of the facts and circumstances giving rise to the claim. In the event SUBRECIPIENT fails to provide such notice, SUBRECIPIENT shall waive all rights to assert such claim.

12. Representatives

- a. **City's Representative.** The City's Representative for the purpose of this Agreement shall be Kristin Donald or such other individual as City shall designate in writing. Whenever approval or authorization from or communication or submission to City is required by this Agreement, such communication or submission shall be directed to the City's Representative and approvals or authorizations shall be issued only by such Representative; provided, however, that in exigent circumstances when City's Representative is not available, SUBRECIPIENT may direct its communication or submission to other designated City personnel or agents and may receive approvals or authorization from such persons.
- b. **SUBRECIPIENT's Representative.** SUBRECIPIENT's Representative for the purpose of this Agreement shall be Judith Heilman as SUBRECIPIENT shall designate in writing. Whenever direction to or communication with SUBRECIPIENT is required by this Agreement, such direction or communication shall be directed to SUBRECIPIENT's Representative; provided, however, that in exigent circumstances when SUBRECIPIENT's Representative is not available, City may direct its direction or communication to other designated SUBRECIPIENT personnel or agents.

13. Indemnity/Waiver of Claims/Insurance. To the fullest extent permitted by law, SUBRECIPIENT agrees to defend, indemnify and hold the City and its agents, representatives, employees, and officers (collectively referred to for purposes of this Section as the City) harmless against all third party claims, demands, suits, damages, losses, and expenses, including reasonable defense attorney fees, which arise out of, relate to or result from SUBRECIPIENT's (i) negligence, or (ii) willful or reckless misconduct.

Such obligations shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist. The indemnification obligations of this Section must not be construed to negate, abridge, or reduce any common-law or statutory rights of the indemnitee(s) which would otherwise exist as to such indemnitee(s). SUBRECIPIENT's indemnification obligations under this Section shall be without regard to and without any right to contribution from any insurance maintained by City.

Should any indemnitee described herein be required to bring an action against SUBRECIPIENT to assert its right to defense or indemnification under this Agreement or under SUBRECIPIENT's applicable insurance policies required below the indemnitee shall be entitled to recover reasonable costs and attorney fees incurred in asserting its right to indemnification or defense but only if a court of competent jurisdiction determines SUBRECIPIENT was obligated to defend the claim(s) or was obligated to indemnify the indemnitee for a claim(s) or any portion(s) thereof.

In the event of an action filed against City resulting from the City's performance under this Agreement, the City may elect to represent itself and incur all costs and expenses of suit.

SUBRECIPIENT also waives any and all claims and recourse against the City or its officers, agents or employees, including the right of contribution for loss or damage to person or property arising from, growing out of, or in any way connected with or incident to the performance of this Agreement except "responsibility for his own fraud, for willful injury to the person or property of another, or for violation of law, whether willful or negligent" as per 28-2-702, MCA.

These obligations shall survive termination of this Agreement.

In addition to and independent from the above, SUBRECIPIENT shall at SUBRECIPIENT's expense secure insurance coverage through an insurance company or companies duly

licensed and authorized to conduct insurance business in Montana which insures the liabilities and obligations specifically assumed by SUBRECIPIENT in this Section. The insurance coverage shall not contain any exclusion for liabilities specifically assumed by SUBRECIPIENT in this Section unless and to the extent coverage for such liability is not reasonably available.

The insurance shall cover and apply to all claims, demands, suits, damages, losses, and expenses that may be asserted or claimed against, recovered from, or suffered by the City without limit and without regard to the cause therefore and which is acceptable to the City and SUBRECIPIENT shall furnish to the City an accompanying certificate of insurance and accompanying endorsements in amounts not less than as follows:

- Workers' Compensation – statutory;
- Employers' Liability - \$1,000,000 per occurrence; \$2,000,000 annual aggregate;
- Commercial General Liability - \$1,000,000 per occurrence; \$2,000,000 annual aggregate

The City of Bozeman, its officers, agents, and employees, shall be endorsed as an additional or named insured on a primary non-contributory basis on the Commercial General Liability policy. The insurance and required endorsements must be in a form suitable to City and shall include no less than a thirty (30) day notice of cancellation or non-renewal. The City must approve all insurance coverage and endorsements prior to delivery of Grant funds to SUBRECIPIENT. SUBRECIPIENT shall notify City within two (2) business days of SUBRECIPIENT's receipt of notice that any required insurance coverage will be terminated or SUBRECIPIENT's decision to terminate any required insurance coverage for any reason.

- 14. Nondiscrimination and Equal Pay.** SUBRECIPIENT agrees that all hiring by Subrecipient of persons performing this Grant Agreement shall be on the basis of merit and qualifications. SUBRECIPIENT will have a policy to provide equal employment opportunity in accordance with all applicable state and federal anti-discrimination laws, regulations, and contracts. SUBRECIPIENT will not refuse employment to a person, bar a person from employment, or discriminate against a person in compensation or in a term, condition, or privilege of employment because of race, color, religion, creed, political ideas, sex, age, marital status, national origin, actual or perceived sexual orientation, gender identity, physical or mental disability, except when the reasonable demands of the position require an age, physical or mental disability, marital status or sex distinction.

SUBRECIPIENT represents it is, and for the term of this Agreement will be, in compliance with the requirements of the Equal Pay Act of 1963 and Section 39-3-104, MCA (the Montana Equal Pay Act). SUBRECIPIENT must report to the City any violations of the Montana Equal Pay Act that Contractor has been found guilty of within 60 days of such finding for violations occurring during the term of this Agreement.

SUBRECIPIENT shall require these nondiscrimination terms of its subcontractors providing services under this Grant Agreement.

15. Public Meetings and Access to Public Records

- a. Meetings of SUBRECIPIENT that pertain to the receipt or expenditure of Grant funds from the City are subject to the open meeting requirements of Montana law, including those set forth in Title 7, Chapter 1, Part 41, MCA and Title 2, Chapter 3, MCA. To ensure compliance, SUBRECIPIENT will provide agendas for meetings that pertain to the receipt or expenditure of Grant funds covered by this Agreement to the City Clerk's office no later than 72 working hours prior to meeting for notice on the City's official posting board and any other sites deemed reasonable by the Clerk's office. In addition, meeting minutes will be kept by SUBRECIPIENT and provided to the City Clerk's office no later than 90 days after the meeting. These minutes shall be posted and made available to the public by the City Clerk's office except for those minutes taken during a closed meeting in accordance with 2-3-203, MCA. Minutes taken during a closed meeting shall also be provided to the City Clerk's office but shall be handled in accordance with the City Clerk's regular executive session protocol and kept private in a secured cabinet.
- b. In accordance with 7-1-4144, MCA and subject to any applicable legal obligation to protect and preserve individual confidential or private information, upon reasonable request and at reasonable times during normal business hours, SUBRECIPIENT shall make such records available for inspection and copying by members of the public. SUBRECIPIENT may charge for such copying in accordance with the policies of the City, which SUBRECIPIENT hereby adopts for such purposes.
- c. To determine whether a meeting or part of a meeting may be closed to the public and to determine whether information contained in SUBRECIPIENT documents is protected by law from disclosure, SUBRECIPIENT may seek a determination of the City Attorney at no cost to SUBRECIPIENT. Such request and determination shall not create an attorney-client relationship between SUBRECIPIENT and the City.

16. **Attorney's Fees and Costs.** In the event it becomes necessary for a party to this Agreement to retain an attorney to enforce any of the terms or conditions of this Agreement or to give any notice required herein, then the prevailing party shall be entitled to reasonable attorney's fees and costs, including fees, salary, and costs of in-house counsel to include City Attorney.
17. **Integration and Modification.** This document contains the entire agreement between the parties and no statements, promises or inducements made by either party or agents of either party not contained in this written Agreement may be considered valid or binding. This Agreement may not be modified except by written agreement signed by both parties.
18. **Dispute Resolution**
- a. Any claim, controversy, or dispute between the parties, their agents, employees, or representatives shall be resolved first by negotiation between senior-level personnel from each party duly authorized to execute settlement agreements. Upon mutual agreement of the parties, the parties may invite an independent, disinterested mediator to assist in the negotiated settlement discussions.
 - b. If the parties are unable to resolve the dispute within thirty (30) days from the date the dispute was first raised, then such dispute may only be resolved in a court of competent jurisdiction in compliance with the Applicable Law provisions of this Agreement.
19. **No Assignment.** SUBRECIPIENT may not subcontract or assign SUBRECIPIENT's rights, including the right to Grant payments, or any other rights or duties arising hereunder, without the prior written consent of City.
20. **No Third Party Beneficiary.** The terms and provisions of this Agreement are intended solely for the benefit of each party and their respective successors and assigns. It is not the parties' intent to confer third party beneficiary rights upon any other person or entity.
21. **Choice of Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Montana without regard to conflict of law provisions. The Parties agree to submit to the personal and exclusive jurisdiction of the courts located within Gallatin County, Montana.

22. **Non-Waiver.** A waiver by either party of any default or breach by the other party of any terms or conditions of this Agreement does not limit the other party's right to enforce such term or conditions or to pursue any available legal or equitable rights in the event of any subsequent default or breach.

23. **Severability.** If any portion of this Agreement is held to be void or unenforceable, the balance of the Agreement shall continue in effect.

24. **Counterparts.** This Agreement may be executed in counterparts, which together constitute one instrument.

25. **Consent to Electronic Signatures.** The Parties have consented to execute this Agreement electronically in conformance with the Montana Uniform Electronic Transactions Act, Title 30, Chapter 18, Part 1, MCA.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year indicated below.

_____ Date: _____

Jeff Mihelich, City Manager
City of Bozeman

Judith Heilman Date: 09/29/2021

Print name and Title: Judith Heilman, Exec Dir
SUBRECIPIENT

Approved as to form:

_____ Date: _____

Greg Sullivan, City Attorney
City of Bozeman



City of Bozeman, American Rescue Plan Act - Proposal

List if included Materials

- 0.0 - Cover Letter
- 1.0 - Executive Program Summary
- 2.0 - Organizational Profile
- 3.0 - Financial Statements
- 4.0 - Proposal Questions / Answers
- 5.0 - Additional Materials



Making language and culture education available to all Montanans

September 29, 2021

Dear City of Bozeman Commissioners & American Rescue Plan Act Funding Reviewers:

Thank you for this opportunity to submit for American Rescue Plan Act funding. The World Language Initiative - Montana's proposal is designed to provide essential support to the Bozeman newcomer Spanish speaking community, whose hardship and challenges have been exacerbated by COVID. **Through our Bozeman English Language & Literacy Alliance (BELLA) project, we request \$52,000 to provide over 2600 hours of English language learning support to 150 City of Bozeman youth and adults.**

World Language Initiative - MT (WLI) is a Bozeman-based language and culture education services non-profit functioning as a formal 501-c3 since 2017 and as a community group since 2013. We recognize and promote the economic and societal benefits of multilingualism in our community. WLI's reach and capacity is growing. In 2019, our programming reached over 1400 language learners in the Gallatin Valley. In 2021/22 we will have an annual budget nearing \$300,000. WLI includes five core staff, 7 person board, and 15 language coaches who are delivering language & culture education to both youth and adults in the Bozeman Area.

WLI is a team of educators, non-profit professionals, and talented volunteers who are committed to supporting the community by increasing access to quality language and culture learning in the Bozeman Area and the state. We are a multi-racial and multi-gendered team of native and high proficiency speakers, representing cultures from within Montana and throughout the world. Our focus is to build language education pathways for multi-language learning; from kindergarten to 100. We currently teach seven languages: Arabic, French, German, Mandarin, Spanish, English, and most recently, Japanese.

Thank you again for your time, good luck with the evaluation process and we look forward to hearing from you.

A handwritten signature in black ink that reads "Elizabeth R. Williamson".

Elizabeth Williamson
Founder / Executive Director, World Language Initiative - MT

Tax-ID: 82-2212916

World Language Initiative - Montana (WLI-MT)

111 South Grand Avenue, Room 202 Bozeman MT 59715

wlimt.org | info@wlimt.org | +1 406.414.6419



1.0 Executive Program Summary

The demographics of Montana, Gallatin Valley and Bozeman are rapidly changing. As The City of Bozeman is growing at unprecedented rates, so is our Spanish speaking population. Over the last 4 years, the Bozeman Latinx/Hispanic community has increased by 70%. As of 2021, it is estimated now that there are over 2,000 Spanish speaking individuals residing in our city. There is strong urgency to support these newcomer community members for the following reasons:

1. Economic hardship experienced under COVID has been disproportionate to people of color, and
2. The majority of our Bozeman Spanish speaking newcomers are low income, poverty level, and/or homeless

Montana towns and cities are at a greater disadvantage in supporting these newcomers as compared to towns and cities in other states in the West because Montana is one of three remaining states in the nation which has yet to establish Title III English learner multipliers in its funding formulas; the others are Alabama and Mississippi. This multiplier, when it exists, provides equity in services by increasing the per student support dollar amounts to schools to meet increased English learner (EL) student educational needs. Given COVID and the propensity for newcomer Spanish to be entering our community at low incomes and/or at the poverty line, it is incumbent on our community and our city's leadership to develop supports to address the inequities that low English language proficiency and low income create. To meet this important need in our community, **WLI requests \$52,000 to deliver essential English language and literacy services to the growing Bozeman Spanish speaking community of youths and adults.**

Funding will be spent January 2022 through December 2023. Our summary of services and estimated impact are as follows:

1. **English Language Evening Adult Online Classes (50 adults served)**
2. **English Language & Literacy Summer Camp/Day Care (35 youth served)**
3. **Evening English Language Classes - Adult and Youth In-person (50 individuals served)**
4. **Equity in Experience for EL Newcomer Youth through Enrichment (15 youth served)**

Through the above we will be offering over 2600 hours in English language learning skills for City of Bozeman Spanish speaking families, 100% of which are low income or poverty level. **All services listed aboves will be offered at no-cost and under the Bozeman English Language & Literacy Alliance (BELLA) project in collaboration with our community partners; including the Bozeman School District, MSU Modern Languages Department, HRDC, Bienvenidos Community Group and Bozeman Public Library.**

For any Spanish speaking Latinx/Hispanic City of Bozeman families who qualify for district free and reduced lunch (this is a criteria and includes low income families and those at or below the poverty line), WLI

proposes to support these disadvantaged households, by providing English learning opportunities to the following:

- **Adults (High School students and above):** these community members are the economic drivers for their families and their households. We include 15 because that is the official age students can leave school and enter the workforce in Montana. MT School districts have indicated that they are seeing a higher proportion of Spanish speakers drop out of school after 15 to enter the service and building sector workforces. If these “adults” as well as their parents, aunts, uncles, cousins, and grandparents do not have the language skills to navigate the community, in terms of education, health and financially, they and their families suffer.
- **Youth (Elementary-aged):** these are tomorrow’s Bozeman citizens. We wish to empower these kids to have the language and literacy skills they need to be successful in school; because when they are not behind in school, there will be greater incentive to stay in school. We also want them to have experiences and social/emotional skills to integrate part of this community. For that we believe equity in enrichment education beyond the fundamentals of language to be essential.
- **Families (all ages):** The family unit is very strong in Latino communities. We want to create opportunities in partnership with the Bozeman Public Library, where both the adults and the youth are co-concurrently learning the language skills online & in-person.



2.0 Organizational Profile

MISSION

World Language Initiative - MT's **mission is** to make language and culture education available to all Montanans.

VISION

World Language Initiative-MT's **vision is** for all elementary-aged Montana students to have access to language and culture education in the school day and engage with highly proficient and native speakers and cultures of the world. We envision Montana communities where all members are multi language learners.

PURPOSE

World Language Initiative - MT's **purpose is** to create a pathway to multi language learning and global citizenship. We provide high-quality language learning opportunities using professional, nationally recognized strategies in language education. Through making language & culture programming available, Montanans will have improved access and desire to celebrate diversity in their communities.

BY THE NUMBERS

Years as a formal tax-identified 501c3 non-profit - 4

Fiscal Year 2020/21 Total Revenue - \$252,069

Fiscal Year 2021/22 Projected Revenue - \$310,000

Number Core Staff & Language Educations - 5 & 15

Number of Years Executive Director has held position - 4

Number of Board Members - 7





3.0 Financial Statements

List of Included Financial Materials*

- Fiscal Year 2020/21 Statement of Activity
- Fiscal Year 2021/22 Budget
- 2019/20 IRS 990 tax form
- McDermott Financial Management Letter

* As of Fall 2021, the World Language Initiative - MT has yet to complete a formalized audit. According to Bozeman-based accountants, a standard threshold for non-profits is \$300,000 in annual revenue. While we are projected to meet this threshold in our 2021/22 Fiscal Year (August 1 - July 31), as of yet we have not. In lieu of an audit therefore, to demonstrate our fiscal health and financial situation, we have included our organizational Statement of Activity (P&L), Budget, most recent 990, and a financial statement letter from McDermott Financial, who runs our payroll and tax management.



World Language Initiative - Montana

FY 2020/21 - Statement of Activity

August 2020 - July 2021

	TOTAL
Revenue	
Fee For Service Programs	51,743.81
Grants	174,012.00
Individual Donations	20,939.02
Merchandise Sales	29.51
Program Fee Refunds	-1,915.17
Sales of Product Revenue	3,545.95
Sponsorships	3,669.55
WLI-MT Expense Reimbursements (deleted)	45.00
Total Revenue	\$252,069.67
GROSS PROFIT	\$252,069.67
Expenditures	
Bank Fees	281.25
Contract Services	24,164.00
Credit Card Fees	234.12
Dues and Subscriptions	675.00
Fundraising	747.11
Insurance	3,350.89
Legal & Professional Services	500.00
Accounting Expense	4,598.90
Total Legal & Professional Services	5,098.90
Licenses and Fees	35.00
Marketing and Advertising	4,258.29
Meals and Entertainment	39.66
Occupancy	
Rent & Lease	8,046.00
Repairs & Maintenance	1,110.00
Total Occupancy	9,156.00
Payroll	0.00
Payroll Taxes	14,769.99
Payroll Wages	170,205.50
Unemployment Insurance	0.00
Total Payroll	184,975.49
Postage and Delivery	169.32
Printing and Copying	18.56
Program Expenses	655.00
Program Materials	3,730.38
Total Program Expenses	4,385.38
Software Expense	241.58

	TOTAL
Staff Training and Development	1,785.99
Supplies	13,210.35
Travel and Meetings	0.00
Volunteer Gifts	192.00
Total Expenditures	\$253,018.89
NET OPERATING REVENUE	\$ -949.22
Other Revenue	\$39,851.73
NET OTHER REVENUE	\$39,851.73
NET REVENUE	\$38,902.51



Annual Operating Budget 2021/22 (Updated, Sept 2021)

		Program Services					Support Services	
Revenue	All Services	Summer Camps	In-school Day	Small Groups	Coaches Up!	Community Nights	Fundraising	Admin
Grants	\$140,000	\$50,000	\$40,000	\$10,000	\$20,000	\$20,000		
Fee for Service Programs	\$75,000	\$25,000	\$12,000	\$38,000	\$0	\$0		
Business Partner Sponsorships	\$47,000	\$15,000	\$15,000	\$11,000	\$1,000	\$5,000		
Individual Donations / Campaigns	\$35,500	\$12,500	\$15,000	\$4,000	\$1,000	\$3,000		
Events	\$5,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000		
Merchandise sales	\$500	\$100	\$100	\$100	\$100	\$100		
Total cash revenue	\$303,000	\$103,600	\$83,100	\$64,100	\$23,100	\$29,100		
Total in-kind revenue	\$7,000					\$2,000	\$5,000	
Total revenue	\$310,000	\$103,600	\$83,100	\$64,100	\$23,100	\$31,100	\$5,000	
Expenses	All Services	Summer Camps	In-school Day	Small Groups	Coaches Up!	Community Nights	Fundraising	Admin
Staff								
Executive Director (.75 FTE)	\$40,000	\$9,600	\$9,600	\$9,600	\$1,600	\$1,600	\$4,000	\$4,000
Program Manager (.5 FTE)	\$25,000	\$5,000	\$10,000	\$5,000	\$0	\$0	\$2,500	\$2,500
Resource Development & Commun. Manager (.75 FTE)	\$36,000	\$8,640	\$8,640	\$8,640	\$1,440	\$1,440	\$3,600	\$3,600
Program Coordinator (.5 FTE)	\$19,000	\$7,600	\$1,520	\$4,560	\$760	\$760	\$1,900	\$1,900
BELLA Project Lead (.25 FTE)	\$11,000	\$7,040	\$0	\$1,760	\$0	\$0	\$1,100	\$1,100
Lead Coaches (5, part-time staff)	\$10,000	\$1,600	\$1,600	\$800	\$4,000	\$0	\$1,000	\$1,000
Language & Culture Educators (15 part-time staff)	\$33,000	\$13,200	\$9,900	\$6,600	\$3,300	\$0	\$0	\$0
Payroll Taxes (11%)	\$19,140	\$5,795	\$4,539	\$4,066	\$1,221	\$418	\$1,551	\$1,551
Contract services								
Accounting & Payroll	\$2,000	\$480	\$480	\$480	\$80	\$80	\$200	\$200
Bookkeeping	\$7,500	\$1,800	\$1,800	\$1,800	\$300	\$300	\$750	\$750
Resource Development	\$16,500	\$3,960	\$3,960	\$3,960	\$660	\$660	\$1,650	\$1,650
Volunteer Stipends	\$1,500	\$360	\$360	\$360	\$60	\$60	\$150	\$150
Fees (Credit Card, QB transactions, Subscription)	\$3,100	\$744	\$744	\$744	\$124	\$124	\$310	\$310
Insurance								
Liability & Board	\$1,630	\$391	\$391	\$391	\$65	\$65	\$163	\$163
Unemployment (3%)	\$5,794	\$1,391	\$1,391	\$1,391	\$232	\$232	\$579	\$579
Board Stewardship & Engagement	\$2,000	\$480	\$480	\$480	\$80	\$80	\$200	\$200
Marketing & advertising	\$5,000	\$1,200	\$1,200	\$1,200	\$200	\$200	\$500	\$500
Occupancy (rent & utilities)	\$11,000	\$2,640	\$2,640	\$2,640	\$440	\$440	\$1,100	\$1,100
Organizational Licenses	\$500	\$120	\$120	\$120	\$20	\$20	\$50	\$50
Printing & copying	\$500	\$120	\$120	\$120	\$20	\$20	\$50	\$50
Program Fee Reimbursements	\$750	\$375		\$375				
Licenses & Subscriptions	\$1,000	\$240	\$240	\$240	\$40	\$40	\$100	\$100
Staff training / development	\$5,500	\$1,320	\$1,320	\$1,320	\$220	\$220	\$550	\$550
Office Supplies & Equipment	\$10,000	\$2,400	\$2,400	\$2,400	\$400	\$400	\$1,000	\$1,000
Event Supplies	\$2,500	\$600	\$600	\$600	\$100	\$100	\$250	\$250
Program Materials	\$5,000	\$1,200	\$1,200	\$1,200	\$200	\$200	\$500	\$500
Resource Development & Community Engagement	\$8,000	\$1,920	\$1,920	\$1,920	\$320	\$320	\$800	\$800
Total cash expenses	\$282,914	\$80,216	\$67,164	\$62,766	\$15,882	\$7,779	\$28,291	\$28,291
Program allocation (80%)	\$226,331							
Fundraising allocation (10%)	\$28,291							
Admin allocation (10%)	\$28,291							
In-kind								
Volunteer Language Educators	\$2,000	\$1,000	\$1,000					
MSU Internships	\$20,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$5,000	
Legal Pro bono	\$5,000							\$5,000
Total in-kind expenses	\$27,000							
Net (cash revenue - cash expenses)	\$20,086							
World Language Initiative - Montana								
111 South Grand Avenue, Room 202 Bozeman MT 59715								
wlimt.org elizabeth@wlimt.org +1 406.414.6419								

2019 TAX RETURN

CLIENT COPY

Client: WORL2916

Prepared for: WORLD LANGUAGE INITIATIVE MT
PO BOX 5178
BOZEMAN, MT 59717-5178
(406) 579-7260

Prepared by: CHRISTINE M. COUBROUGH, CPA
MCDERMOTT FINANCIAL SERVICES PC
PO BOX 531
BOZEMAN, MT 59771
(406) 585-9291

Date: SEPTEMBER 30, 2020

Comments:

COPY

Route to: _____

2019 Exempt Org. Return
prepared for:

World Language Initiative MT
PO BOX 5178
Bozeman, MT 59717-5178

COPY

MCDERMOTT FINANCIAL SERVICES PC
PO BOX 531
BOZEMAN, MT 59771

MCDERMOTT FINANCIAL SERVICES PC

PO BOX 531
BOZEMAN, MT 59771
(406) 585-9291

Client WORL2916
September 30, 2020

World Language Initiative MT

PO BOX 5178
Bozeman, MT 59717-5178
(406) 579-7260

FEDERAL FORMS

Form 990-EZ	2019 Return of Organization Exempt from Income Tax
Schedule A	Organization Exempt Under Section 501(c)(3)
Schedule E	Schools
Schedule O	Supplemental Information
Form 8868	Application for Extension
Form 8879-EO	IRS e-file Signature Authorization

FEE SUMMARY

Preparation Fee

COPY

FORM 990-EZ REVENUE

CONTRIBUTIONS, GIFTS, AND GRANTS..... 135,280

TOTAL REVENUE..... 135,280

EXPENSES

SALARIES AND EMPLOYEE BENEFITS..... 103,967

PROFESSIONAL FEES/PYMT TO CONTRACTORS..... 2,483

OCCUPANCY/RENT/UTILITIES/MAINTENANCE..... 6,529

OTHER EXPENSES..... 24,035

TOTAL EXPENSES..... 137,014

NET ASSETS OR FUND BALANCES

EXCESS OR (DEFICIT) FOR THE YEAR..... -1,734

NET ASSETS/FUND BAL. AT BEG. OF YEAR..... 15,856

NET ASSETS/FUND BAL. AT END OF YEAR..... 14,122

COPY

2019

GENERAL INFORMATION

PAGE 1

WORLD LANGUAGE INITIATIVE MT

82-2212916

FORMS NEEDED FOR THIS RETURN

FEDERAL: 990-EZ, SCH A, SCH E, SCH O, 8868

CARRYOVERS TO 2020

NONE

COPY

THE ORGANIZATION'S FEDERAL TAX RETURN IS NOT FINISHED UNTIL YOU COMPLETE THE FOLLOWING INSTRUCTIONS.

PRIOR TO TRANSMISSION OF THE RETURN

FORM 990-EZ

THE ORGANIZATION SHOULD REVIEW THEIR FEDERAL RETURN ALONG WITH ANY ACCOMPANYING SCHEDULES AND STATEMENTS.

PAPERLESS E-FILE

THE ORGANIZATION SHOULD READ, SIGN AND DATE THE FORM 8879-EO, IRS E-FILE SIGNATURE AUTHORIZATION.

EVEN RETURN

NO PAYMENT IS REQUIRED.

AFTER TRANSMISSION OF THE RETURN

RECEIVE ACKNOWLEDGEMENT OF YOUR E-FILE TRANSMISSION STATUS.

WITHIN SEVERAL HOURS, CONNECT WITH LACERTE AND GET YOUR FIRST ACKNOWLEDGEMENT (ACK) THAT LACERTE HAS RECEIVED YOUR TRANSMISSION FILE.

CONNECT WITH LACERTE AGAIN AFTER 24 AND THEN 48 HOURS TO RECEIVE YOUR FEDERAL ACKS.

KEEP A SIGNED COPY OF FORM 8879-EO, IRS E-FILE SIGNATURE AUTHORIZATION IN YOUR FILES FOR 3 YEARS.

DO NOT MAIL:

FORM 8879-EO IRS E-FILE SIGNATURE AUTHORIZATION

THE ORGANIZATION'S FEDERAL TAX RETURN IS NOT FINISHED UNTIL YOU COMPLETE THE FOLLOWING INSTRUCTIONS.

PRIOR TO TRANSMISSION OF THE RETURN

FORM 8868

NO SIGNATURE IS REQUIRED WITH FORM 8868.

EVEN RETURN

NO PAYMENT IS REQUIRED.

AFTER TRANSMISSION OF THE RETURN

RECEIVE ACKNOWLEDGEMENT OF YOUR E-FILE TRANSMISSION STATUS.

WITHIN SEVERAL HOURS, CONNECT WITH LACERTE AND GET YOUR FIRST ACKNOWLEDGEMENT (ACK) THAT LACERTE HAS RECEIVED YOUR TRANSMISSION FILE.

CONNECT WITH LACERTE AGAIN AFTER 24 AND THEN 48 HOURS TO RECEIVE YOUR FEDERAL ACKS.

COPY

Form **8879-EO****IRS e-file Signature Authorization
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2019, or fiscal year beginning 8/01, 2019, and ending 7/31, 2020▶ **Do not send to the IRS. Keep for your records.**▶ **Go to www.irs.gov/Form8879EO for the latest information.****2019**Department of the Treasury
Internal Revenue Service

Name of exempt organization

WORLD LANGUAGE INITIATIVE MT

Name and title of officer

Employer identification number

82-2212916ELIZABETH WILLIAMSONPRESIDENT**Part I Type of Return and Return Information (Whole Dollars Only)**

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a**, **2a**, **3a**, **4a**, or **5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b**, **2b**, **3b**, **4b**, or **5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1 a Form 990 check here ▶ ☐	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1 b _____
2 a Form 990-EZ check here ▶ ☒	b Total revenue , if any (Form 990-EZ, line 9)	2 b <u>135,280.</u>
3 a Form 1120-POL check here ▶ ☐	b Total tax (Form 1120-POL, line 22)	3 b _____
4 a Form 990-PF check here ▶ ☐	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4 b _____
5 a Form 8868 check here ▶ ☐	b Balance Due (Form 8868, line 3c)	5 b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2019 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize MCDERMOTT FINANCIAL SERVICES PC to enter my PIN 35822 as my signature

ERO firm name

Enter five numbers, but
do not enter all zeros

on the organization's tax year 2019 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

☐ As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2019 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____

Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN

8103132677

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2019 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ CHRISTINE M. COUBROUGH, CPA

Date ▶ _____

**ERO Must Retain This Form – See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So**

BAA For Paperwork Reduction Act Notice, see instructions.

Form **8879-EO** (2019)

**Application for Automatic Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-0047

► **File a separate application for each return.**
 ► **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions.		Taxpayer identification number (TIN)
	WORLD LANGUAGE INITIATIVE MT		82-2212916
	Number, street, and room or suite number. If a P.O. box, see instructions.		
	PO BOX 5178		
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.		
	BOZEMAN, MT 59717-5178		

Enter the Return Code for the return that this application is for (file a separate application for each return) **01**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ► ELIZABETH WILLIAMSON

Telephone No. ► 406-579-7260

Fax No. ►

- If the organization does not have an office or place of business in the United States, check this box. ► ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box. ► ☐. If it is for part of the group, check this box ... ► ☐ and attach a list with the names and TINs of all members the extension is for.

- 1 I request an automatic 6-month extension of time until 6/15, 20 21, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ☐ calendar year 20 ____ or
 ► ☒ tax year beginning 8/01, 20 19, and ending 7/31, 20 20.

- 2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8868** (Rev. 1-2020)

Form **990-EZ**Department of the Treasury
Internal Revenue Service**Short Form**
Return of Organization Exempt From Income TaxUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except private foundations)

▶ Do not enter social security numbers on this form, as it may be made public.

▶ Go to www.irs.gov/Form990EZ for instructions and the latest information.

OMB No. 1545-0047

2019**Open to Public
Inspection****A** For the 2019 calendar year, or tax year beginning 8/01, 2019, and ending 7/31, 2020**B** Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C
 WORLD LANGUAGE INITIATIVE MT
 PO BOX 5178
 BOZEMAN, MT 59717-5178

D Employer identification number

82-2212916

E Telephone number

(406) 579-7260

F Group Exemption Number**G** Accounting Method: ☒ Cash ☐ Accrual Other (specify) ▶**I** Website: ▶ [HTTPS://WWW.WLMT.ORG/](https://www.wlmt.org/)**J** Tax-exempt status (check only one) — ☒ 501(c)(3) ☐ 501(c) () ◀(insert no.) ☐ 4947(a)(1) or ☐ 527**H** Check ☒ if the organization is **not** required to attach Schedule B (Form 990, 990-EZ, or 990-PF).**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other**L** Add lines 5b, 6c, and 7b to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, column (B)) are \$500,000 or more, file Form 990 instead of Form 990-EZ. ▶ \$ 135,280.**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (see the instructions for Part I)Check if the organization used Schedule O to respond to any question in this Part I. ☒

Revenue	1	Contributions, gifts, grants, and similar amounts received	1	135,280.
	2	Program service revenue including government fees and contracts	2	
	3	Membership dues and assessments	3	
	4	Investment income	4	
	5a	Gross amount from sale of assets other than inventory	a	
	5b	Less: cost or other basis and sales expenses	5b	
	5c	Gain or (loss) from sale of assets other than inventory (subtract line 5b from line 5a)	5c	
	6	Gaming and fundraising events:		
	6a	Gross income from gaming (attach Schedule G if greater than \$15,000)	6a	
	6b	Gross income from fundraising events (not including \$ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000)	6b	
6c	Less: direct expenses from gaming and fundraising events	6c		
6d	Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)	6d		
7a	Gross sales of inventory, less returns and allowances	7a		
7b	Less: cost of goods sold	7b		
7c	Gross profit or (loss) from sales of inventory (subtract line 7b from line 7a)	7c		
8	Other revenue (describe in Schedule O)	8		
9	Total revenue. Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8	9	135,280.	
Expenses	10	Grants and similar amounts paid (list in Schedule O)	10	
	11	Benefits paid to or for members	11	
	12	Salaries, other compensation, and employee benefits	12	103,967.
	13	Professional fees and other payments to independent contractors	13	2,483.
	14	Occupancy, rent, utilities, and maintenance	14	6,529.
	15	Printing, publications, postage, and shipping	15	
	16	Other expenses (describe in Schedule O) SEE SCHEDULE O	16	24,035.
	17	Total expenses. Add lines 10 through 16	17	137,014.
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 9)	18	-1,734.
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	15,856.
	20	Other changes in net assets or fund balances (explain in Schedule O)	20	
	21	Net assets or fund balances at end of year. Combine lines 18 through 20	21	14,122.

BAA For Paperwork Reduction Act Notice, see the separate instructions.

Form 990-EZ (2019)

Part II Balance Sheets (see the instructions for Part II)Check if the organization used Schedule O to respond to any question in this Part II. ☒

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	15,856.	22 30,475.
23 Land and buildings		23
24 Other assets (describe in Schedule O) SEE SCHEDULE O		24 156.
25 Total assets	15,856.	25 30,631.
26 Total liabilities (describe in Schedule O) SEE SCHEDULE O	0.	26 16,509.
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	15,856.	27 14,122.

Part III Statement of Program Service Accomplishments (see the instructions for Part III)Check if the organization used Schedule O to respond to any question in this Part III. ☒

What is the organization's primary exempt purpose? SEE SCHEDULE O

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.

Expenses

(Required for section 501(c)(3) and 501(c)(4) organizations; optional for others.)

28 WLI-MT PREPARES MONTANA CITIZENS FOR A WORLD WHERE MULTILINGUALISM AND CULTURAL AWARENESS IS A PATH TO PERSONAL AND PROFESSION FULFILLMENT AND SUCCESS. (Grants \$ 11,940.) If this amount includes foreign grants, check here ☐	28 a	10,117.
29 _____ _____ (Grants \$) If this amount includes foreign grants, check here ☐	29 a	
30 _____ _____ (Grants \$) If this amount includes foreign grants, check here ☐	30 a	
31 Other program services (describe in Schedule O) _____ (Grants \$) If this amount includes foreign grants, check here ☐	31 a	
32 Total program service expenses (add lines 28a through 31a)	32	10,117.

Part IV List of Officers, Directors, Trustees, and Key Employees (list each one even if not compensated — see the instructions for Part IV)Check if the organization used Schedule O to respond to any question in this Part IV. ☐

(a) Name and title	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC) (if not paid, enter -0-)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
ELIZABETH WILLIAMSON EXECUTIVE DIR.	40	10,100.	0.	0.
MELISSA RICHEY PRESIDENT	0.5	0.	0.	0.
KATIE WING TREASURER	0.5	0.	0.	0.
CHRISTINA CLARK SECRETARY	1	3,444.	0.	0.
KALI LOPEZ TRUSTEE	0.5	0.	0.	0.
BRIGITTE MORRIS TRUSTEE	1	1,870.	0.	0.
BRIDGET KEVANE TRUSTEE	0.5	0.	0.	0.

Part V Other Information (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V.) Check if the organization used Schedule O to respond to any question in this Part V. ☐ SEE SCH O

	Yes	No
33 Did the organization engage in any significant activity not previously reported to the IRS? If 'Yes,' provide a detailed description of each activity in Schedule O.	33	X
34 Were any significant changes made to the organizing or governing documents? If 'Yes,' attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O. See instructions.	34	X
35a Did the organization have unrelated business gross income of \$1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)?	35a	X
b If 'Yes' to line 35a, has the organization filed a Form 990-T for the year? If 'No,' provide an explanation in Schedule O.	35b	
c Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If 'Yes,' complete Schedule C, Part III.	35c	X
36 Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If 'Yes,' complete applicable parts of Schedule N.	36	X
37a Enter amount of political expenditures, direct or indirect, as described in the instructions. ▶ 37a 0.		
b Did the organization file Form 1120-POL for this year?	37b	X
38a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee; or were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return?	38a	X
b If 'Yes,' complete Schedule L, Part II, and enter the total amount involved.	38b 0.	
39 Section 501(c)(7) organizations. Enter:		
a Initiation fees and capital contributions included on line 9.	39a 0.	
b Gross receipts, included on line 9, for public use of club facilities.	39b 0.	
40a Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ 0.; section 4912 ▶ 0.; section 4955 ▶ 0.		
b Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If 'Yes,' complete Schedule L, Part I.	40b	X
c Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958. ▶ 0.		
d Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax on line 40c reimbursed by the organization. ▶ 0.		
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If 'Yes,' complete Form 8886-T.	40e	X
41 List the states with which a copy of this return is filed ▶ MT		

42a The organization's books are in care of ▶ ELIZABETH WILLIAMSON Telephone no. ▶ 406-579-7260 Located at ▶ PO BOX 5178 BOZEMAN MT ZIP + 4 ▶ 59717-5718		
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	42b	X
If 'Yes,' enter the name of the foreign country ▶		
See the instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
c At any time during the calendar year, did the organization maintain an office outside the United States?	42c	X
If 'Yes,' enter the name of the foreign country ▶		

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 — Check here ☐ N/A and enter the amount of tax-exempt interest received or accrued during the tax year. ▶ 43 N/A		
44a Did the organization maintain any donor advised funds during the year? If 'Yes,' Form 990 must be completed instead of Form 990-EZ.	44a	X
b Did the organization operate one or more hospital facilities during the year? If 'Yes,' Form 990 must be completed instead of Form 990-EZ.	44b	X
c Did the organization receive any payments for indoor tanning services during the year?	44c	X
d If 'Yes' to line 44c, has the organization filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O.	44d	
45a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	45a	X
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' Form 990 and Schedule R may need to be completed instead of Form 990-EZ. See instructions.	45b	X

46 Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I.

	Yes	No
46		X

Part VI Section 501(c)(3) Organizations Only

All section 501(c)(3) organizations must answer questions 47-49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI. ☐

47 Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II.

	Yes	No
47		X

48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E.

48	X	
-----------	---	--

49 a Did the organization make any transfers to an exempt non-charitable related organization?

49 a		X
-------------	--	---

b If 'Yes,' was the related organization a section 527 organization?

49 b		
-------------	--	--

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees, and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None.'

(a) Name and title of each employee	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
NONE				

f Total number of other employees paid over \$100,000 ▶

51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None.'

(a) Name and business address of each independent contractor	(b) Type of service	(c) Compensation
NONE		

d Total number of other independent contractors each receiving over \$100,000 ▶

52 Did the organization complete Schedule A? **Note:** All section 501(c)(3) organizations must attach a completed Schedule A.

▶ ☒ Yes ☐ No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer		Date	
	ELIZABETH WILLIAMSON		PRESIDENT	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed PTIN
	CHRISTINE M. COUBROUGH, CPA	CHRISTINE M. COUBROUGH, CP		P01026778
	Firm's name ▶	MCDERMOTT FINANCIAL SERVICES PC		
	Firm's address ▶	PO BOX 531 BOZEMAN, MT 59771		
			Firm's EIN ▶	20-3875795
			Phone no.	(406) 585-9291

May the IRS discuss this return with the preparer shown above? See instructions ▶ ☒ Yes ☐ No

BAA

Form 990-EZ (2019)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

**Open to Public
Inspection**

Name of the organization

WORLD LANGUAGE INITIATIVE MT

Employer identification number

82-2212916

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☒ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 ☐ An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
- f Enter the number of supported organizations: _____
- g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2019

TEEA0401L 07/03/19

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants'.)						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf.						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ ☐						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2019 (line 6, column (f) divided by line 11, column (f)).	14	%
15 Public support percentage from 2018 Schedule A, Part II, line 14	15	%
16a 33-1/3% support test—2019. If the organization did not check the box on line 13, and line 14 is 33-1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization. ▶ ☐		
b 33-1/3% support test—2018. If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization ▶ ☐		
17a 10%-facts-and-circumstances test—2019. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here . Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ ☐		
b 10%-facts-and-circumstances test—2018. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here . Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ ☐		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants'.)						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose.						
3 Gross receipts from activities that are not an unrelated trade or business under section 513.						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf.						
5 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
6 Total. Add lines 1 through 5. ...						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons.						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year.						
c Add lines 7a and 7b.						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources.						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975. ...						
c Add lines 10a and 10b.						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on.						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**. ▶ ☐**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2019 (line 8, column (f), divided by line 13, column (f)).	15	%
16 Public support percentage from 2018 Schedule A, Part III, line 15.	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f)).	17	%
18 Investment income percentage from 2018 Schedule A, Part III, line 17.	18	%

19a 33-1/3% support tests—2019. If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization. ▶ ☐**b 33-1/3% support tests—2018.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization. ▶ ☐**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions. ▶ ☐

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If 'No,' describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If 'Yes,' explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If 'Yes,' answer (b) and (c) below.		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If 'Yes,' describe in Part VI when and how the organization made the determination.		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If 'Yes,' explain in Part VI what controls the organization put in place to ensure such use.		
4a Was any supported organization not organized in the United States ('foreign supported organization')? If 'Yes' and if you checked 12a or 12b in Part I, answer (b) and (c) below.		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If 'Yes,' describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If 'Yes,' explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? If 'Yes,' answer (b) and (c) below (if applicable). Also, provide detail in Part VI , including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If 'Yes,' provide detail in Part VI .		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If 'Yes,' provide detail in Part VI .		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If 'Yes,' provide detail in Part VI .		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If 'Yes,' provide detail in Part VI .		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If 'Yes,' answer 10b below.		
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? If 'Yes' to a, b, or c, provide detail in Part VI .		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If 'No,' describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If 'Yes,' explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If 'No,' describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If 'No,' explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If 'Yes,' describe in Part VI the role the organization's supported organizations played in this regard.		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
a ☐ The organization satisfied the Activities Test. Complete line 2 below.			
b ☐ The organization is the parent of each of its supported organizations. Complete line 3 below.			
c ☐ The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
2 Activities Test. Answer (a) and (b) below.			
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If 'Yes,' then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.			
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If 'Yes,' explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.			
3 Parent of Supported Organizations. Answer (a) and (b) below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI .			
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If 'Yes,' describe in Part VI the role played by the organization in this regard.			

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A – Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B – Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C – Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

BAA

Schedule A (Form 990 or 990-EZ) 2019

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)**Section D – Distributions**

	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2019 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E – Distribution Allocations (see instructions)

	(i) Excess Distributions	(ii) Underdistributions Pre-2019	(iii) Distributable Amount for 2019
1 Distributable amount for 2019 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2019 (reasonable cause required – explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2019			
a From 2014			
b From 2015			
c From 2016			
d From 2017			
e From 2018			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2019 distributable amount			
i Carryover from 2014 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2019 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2019 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.			
6 Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.			
7 Excess distributions carryover to 2020. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2015			
b Excess from 2016			
c Excess from 2017			
d Excess from 2018			
e Excess from 2019			

BAA

Schedule A (Form 990 or 990-EZ) 2019

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

COPY

SCHEDULE E
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

- **Complete if the organization answered 'Yes' on Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.**
► **Attach to Form 990 or Form 990-EZ.**
► **Go to www.irs.gov/Form990 for the latest information.**

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization

WORLD LANGUAGE INITIATIVE MT

Employer identification number

82-2212916

Part I

	YES	NO
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	X	
2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	X	
3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe. If 'No,' please explain. If you need more space, use Part II.	X	

4 Does the organization maintain the following?		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
d Copies of all material used by the organization or on its behalf to solicit contributions?	X	
If you answered 'No' to any of the above, please explain. If you need more space, use Part II.		

5 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?		X
b Admissions policies?		X
c Employment of faculty or administrative staff?		X
d Scholarships or other financial assistance?		X
e Educational policies?		X
f Use of facilities?		X
g Athletic programs?		X
h Other extracurricular activities?		X
If you answered 'Yes' to any of the above, please explain. If you need more space, use Part II.		

6 a Does the organization receive any financial aid or assistance from a governmental agency?		X
b Has the organization's right to such aid ever been revoked or suspended?		X
If you answered 'Yes' on either line 6a or line 6b, explain on Part II.		

7 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' explain on Part II.	X	

Part II **Supplemental Information.** Provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also provide any other additional information. See instructions.

COPY

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2019

**Open to Public
Inspection**

WORLD LANGUAGE INITIATIVE MT

Employer identification number

82-2212916

FORM 990-EZ, PART I, LINE 16
OTHER EXPENSES

ADVERTISING AND PROMOTION.....	\$	990.
FOOD AND REFRESHMENTS.....		190.
FUNDRAISING EVENT COSTS.....		2,355.
INFORMATION TECHNOLOGY.....		1,179.
INSURANCE.....		959.
LICENSES/PERMITS.....		40.
MISCELLANEOUS.....		470.
OFFICE EXPENSES.....		628.
PROFESSIONAL DEVELOPMENT.....		3,000.
PROGRAM EXPENSES.....		10,117.
REIMBURSEMENTS.....		380.
SERVICE FEES.....		2,567.
VOLUNTEER THANK YOU.....		1,160.
TOTAL	\$	<u>24,035.</u>

FORM 990-EZ, PART II, LINE 24
OTHER ASSETS

	<u>BEGINNING</u>	<u>ENDING</u>
UNDEPOSITED FUNDS.....	\$ 0.	\$ 156.
TOTAL	<u>\$ 0.</u>	<u>\$ 156.</u>

FORM 990-EZ, PART II, LINE 26
TOTAL LIABILITIES

	<u>BEGINNING</u>	<u>ENDING</u>
ACCOUNTS PAYABLE AND ACCRUED EXPENSES.....	\$ 0.	\$ 2,409.
PPP LOAN.....	0.	14,100.
TOTAL	<u>\$ 0.</u>	<u>\$ 16,509.</u>

FORM 990-EZ, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE

WLI-MT PREPARES CITIZENS FOR A WORLD WHERE MULTILINGUALISM AND MULTICULTURALISM IS
A PATH TO PERSONAL AND PROFESSIONAL FULFILLMENT AND SUCCESS. WE BUILD COMMUNITY
THROUGH IMMERSIVE LANGUAGE AND CULTURE PROGRAMMING FOR ALL AGES THAT INSPIRES
INTEREST, CURIOSITY, AND SKILL BUILDING.

FORM 990-EZ, PART V - REGARDING TRANSFERS ASSOCIATED WITH PERSONAL BENEFIT CONTRACTS

(A) DID THE ORGANIZATION, DURING THE YEAR, RECEIVE ANY FUNDS, DIRECTLY OR
INDIRECTLY, TO PAY PREMIUMS ON A PERSONAL BENEFIT CONTRACT?..... NO

(B) DID THE ORGANIZATION, DURING THE YEAR, PAY PREMIUMS, DIRECTLY OR
INDIRECTLY, ON A PERSONAL BENEFIT CONTRACT?..... NO



September 28, 2021

RE: World Language Initiative MT

Tax ID 82-2212916

To: City of Bozeman: American Rescue Plan Act RFP

To whom it may concern,

This letter is written on behalf of the World Language Initiative MT, Tax ID 82-2212916, to provide information related to the status of the 2020 Form 990 and its financial reporting activities. I have personally worked with this entity from its inception providing advisory services, tax preparation, payroll preparation, and bookkeeping training and review. In 2020, the entity worked diligently to apply for funding, keep its staff employed, and provide services to the community through the pandemic. During this time, the need to prepare financial reports, monitor the bank accounts, and prepare bookkeeping became an increased priority. The board decided to hire a bookkeeping contractor so that management could spend more time focused on the programs and make decisions using timely prepared financial reports.

While we are eager to finalize the 2020 Form 990, several detailed updates were implemented in bookkeeping to provide more accurate and useful reports, such as classes for grant monitoring purposes. That change took more time than expected and bookkeeping has just recently been updated through the fiscal year end of July 31, 2021. We are working with management now to obtain all necessary information for the 2020 tax return. The tax return deadline is December 15th, but we plan to have the return completed this month if possible.

Please do not hesitate to reach out if you need additional information.

Respectfully,


Christine M. Coubrough, CPA

McDermott Financial Services PC

Certified
Public
Accountants

406-585-9291

406-219-3336 Fax

1010 East Main St. Ste. D
Bozeman, MT 59715

PO Box 531
Bozeman, MT 59771

www.mcdermottfinancial.com



4.0 Proposal Questions / Answers

1. Related experience with projects similar to the scope of services

WLI has been running after-school and in-school world language programming in the Gallatin Valley since 2013. In 2019, WLI reached over 1400 youth and adult Bozeman Area community members through our K-5, middle school, and adult language and culture education services. For 4 years, we led annually a 350-student after-school world language education program at all 8 Bozeman elementaries and 200-student world language and culture summer camps. We are in our 3rd year of teaching in-person and online adult language classes. We recently launched a successful 5-week in-person English program, teaching K-5 English Learner newcomer youth essential language and literacy skills.

For more information about our programs related to this proposal, please see our BELLA and Small Groups brochures at the end of this document.

2. Detailed description of the program/project

The Bozeman English Language Literacy Alliance (BELLA) Project includes youth Summer Camps and Small Group adult English language education services. WLI asks for \$52,000 to deliver an expanded set of free English language services to limited English proficiency native Spanish speakers in Bozeman. These offerings will start in January 2022 and run through December 2023. WLI will use the ARPA funds provide the following language education deliverables:

- 1. English Language Evening Adult Online Classes:** WLI provides weekly evening online English language classes to the adult Spanish speaking community -50 adults served
- 2. English Language & Literacy Summer Camp/Day Care:** Deliver a 2nd year of essential English Literacy and Language skill building through its 5-week BELLA summer camp; includes WLI Coordination, Lead EL Coach, MSU EL trained student coaches, Bienvenidos site volunteers, HRDC & community business support in providing lunch -busing to camp available M-TH; 10am-2p -35 K-5 youth served
- 3. Evening English Language Classes - Adult and Youth In-person:** Grow our relationship with the Bozeman Public Library through which beginning in Fall 2022, WLI expands our English language and literacy offering to include in-person classes and BPL with MSU and WLI coach support, provide concurrent youth language education programming at the Bozeman Public Library -50 families served
- 4. Equity in Experience for EL Newcomer Youth through Enrichment:** Through partnership with other enrichment camp programs, WLI will offer its "graduated" Year 1 k-5 summer camp students the opportunities to attend either other WLI summer language camps on a sliding scale "pay what you can (0 - 25%) of standard cost" basis in German, French, Japanese, Arabic or Mandarin languages -15 K-5 students served

All services listed above will be offered at no-cost and under the Bozeman English Language & Literacy Alliance (BELLA) project in collaboration with our community partners; including the Bozeman School District, MSU Modern Languages Department, HRDC, Bienvenidos Community Group and Bozeman Public Library.

Measures of Success

We believe our program stands out as is it designed to provide service where:

- **100% of program** delivery hours are in direct support of Bozeman Spanish speaking, low English proficiency families
- **100% of program** is designed to address needs of entire economically disadvantaged families - either low income or poverty level (youth to adult)
- **2600 hours** of youth language & literacy learning delivered for up to 35 k-5 students, 20 hours per week for 5 weeks
- **750 hours** of English language skills taught to low proficiency speakers are taught for 3 10-week classes, based on 25 participants per class

3. How the program addresses the negative economic impacts caused by the public health emergency including economic harms to workers and households

COVID has disrupted the employment and educational opportunities of many immigrant Latinx families in the Gallatin Valley, who increasingly serve as the backbone of the local hotel, building and restaurant industries. During the height of COVID, many hard working Latinx breadwinners were left unemployed or reduced to part time. As the industries re-opened, many families found it financially necessary for all adults to enter the workforce to make up for the deficit of lost income during shelter-in-place. Due to this, adults in these households were leaving the home early in the mornings and throughout the day during the school year and in the summer; leaving their children unattended and with unstructured time.

In addition, Latinx homelessness is at a critical point in Bozeman: 42 English learner (EL) families are currently on the McKinney Vento homeless list for substandard/overcrowded housing; 4 EL families reside in HRDC's temporary housing hotel; 6 additional families are on the waitlist for temporary housing. This disadvantaged and fragile Bozeman population, which is already struggling to access English educational opportunities, needs additional support. To improve their income earning potential and to gain more stable employment in Bozeman's growing economy, these families greatly desire and need to build their English proficiency. In the past, Bozeman has offered free and low-cost evening English classes. But these are no longer available; neither in person nor online. WLI in offering adult evening English language classes online and eventually again in person, will be providing a highly needed opportunity to learn in an appropriate time block based on their work schedule. By offering these classes at no cost, WLI will enable these families to use money for rent and food and other basic survival needs that they are struggling to meet in the Bozeman economy as a result of the pandemic.

Additionally, immigrant Latinx children lost valuable schooling access in the 2020-21 academic year. The lack of access to wifi and instruction on how to study remotely with Chrombooks for newcomer Latinx children caused interrupted educational opportunities during the remote learning months of the pandemic. English Learners require face to face instruction to maximize second language growth and competency. This year the necessity for additional remote learning again threatens to wreak havoc as classes are quarantined due to the increased spread of the DELTA variant. In Spring 2021 levels 1 and 2 Latino children scored an average of 19 points behind their school age English-only peers and were predominantly in the

lower 25th percentile on standardized tests for Early Literacy and Reading. These young learners will greatly benefit from the BELLA Summer English Language and Literacy program which will edify their English literacy skills so they can excel in school and grow up to fully integrate and become contributing members of the Bozeman community. The BELLA Summer Camp also provides a safe, consistent and positive opportunity for these young newcomers to learn essential skills and build positive relationships with program educators and volunteers. By funding the BELLA Summer English Literacy program, the City of Bozeman is proactively supporting the development of a literate and competent workforce in Bozeman and ensuring equitable access to summer education as well as safe and structured daycare for a segment of our community's neediest population. It will be an investment that will bring exponential benefits to our community and ensure healthy integration of Latino families into the shared values of our Bozeman community.

4. How much funding is being requested?

\$52,000 in total: \$40,000 to support the WLI 5 week BELLA Summer Literacy Program meeting English language needs for Bozeman Spanish speaking youth; \$5,000 for youth and adult online classes; \$5,000 in-person family classes; \$2,000 for World Language Summer Camp equity in enrichment scholarships to BELLA k-5 students, serving up to 150 Spanish speaking families in Bozeman.

5. How will the funding be distributed to household and or workers

The Spanish speaking, limited English proficiency families and households which our English language classes and Summer Camps will serve, will receive economic relief in the savings that they would otherwise be spending on daycare and English language learning costs throughout the year and during the summer for their family. Standard summer camp programs run \$250-\$300 per week. English language classes run between \$10 and 15 per hour. By providing free English literacy camps for 5 weeks in July, each household with 1 child would be saving \$1000 that they might otherwise spend in daycare and/or enrichment costs. For every 10 hours of adult language class, each adult will be saving between \$100 and \$150. Over 3 language education sessions, each adult will save \$300-\$450. These savings are money each family can effectively use for other purposes that meet the needs unique to their particular economic circumstance and household.

6. What, if any, admin fees will be charged to the program

WLI will retain 10% of the grant funds for administration and overhead costs; 90% of the grant received will go to the coordination and delivery of the program.

7. How it will comply with Federal Requirements

WLI has experience with federal, state and local grant-making and reporting. WLI has in place an effective program tracking, book-keeping and grant reporting system which will enable us to comply with federal grant reporting requirements.

8. How it will comply with requirements for City reporting

Based on our past experience and current plans for grant-making, WLI has in place an effective program tracking, book-keeping and grant reporting system which will enable us to comply with city grant reporting

requirements. In addition, due to our experience in youth and adult community program delivery, we have enrollment, employment, and student management systems.

9. How the program addresses equity and the intersectional impacts of COVID-19 for any or all of the following: households below poverty level, people of color, people with disabilities, LGBTQ+ individuals, and people with limited English proficiency.

Celebrating diversity and a commitment to inclusion is core to WLI's mission and vision. WLI employs as staff and accepts in its programs people of all race, ethnicity and gender affiliation. Essential to our organization's values is equitable program opportunity. Since 2013, WLI has devoted additional resources to program delivery in the 3 Bozeman Title I schools. These schools have proportionally higher percentages of people of color and are where family low income and poverty levels are the highest. During our 4 years delivering in the after-school program we created a full and sliding scale scholarship option for families in financial need so that no student was turned away. We continue our inclusive and equitable work through this proposed English Language education delivery program by making all of these programs available at no-fee, to the Latinx/Hispanic limited English proficient, low income and poverty level members of our community.



5.0 Additional Materials

List of Additional Materials

- Annual Report 2019/20
- WLI - BELLA Brochure
- WLI - Small Groups Brochure
- Bozeman Public Library - Letter of Support
- Bozeman School District, EL Coordinator - Letter of Support
- Bienvenidos Community Group - Letter of Support



Mailing address: PO Box 5178 Bozeman MT 59717

Office location: Room 202, Emerson Cultural Center 111 South Grand Avenue Bozeman MT 59715

info@wlimt.org | 406.579.7260 | www.wlimt.org |

Taxid: 8202212916

OVERVIEW

WLI-MT is a non-profit organization focused on language & culture education

VISION

We envision a world where **every Montana citizen** experiences/understands the value of multilingualism and multiculturalism

MISSION

WLI-MT prepares citizens for a world where multilingualism and multiculturalism is a path to personal and professional fulfillment and success. We build community through **immersive language and culture programming** for all ages that inspires interest, curiosity, and skill building.



OUR FOCUS

WLI-MT establishes partnerships with Bozeman-area schools to find innovative solutions for in-school day and after-school **world language & culture education**.

Our programs focus on building an **affinity** for second languages & cultures through interactive and engaging **comprehensible input** teaching models.

Our language coaches speak in the target languages at least **75%-95% of the time**, making our programs truly immersive.

In 2019-20, we provided second language education to over **1,400** Bozeman-area community members through our programming.

**Second
Language
Education**

**Exposure to
Culture**

**Community
Events &
Programming**



OUR APPROACH

The WLI-MT teaching approach focuses on what we call "The 3 As" : **Affinity, Aptitude, & Acquisition**. We believe that by sparking an affinity for language & culture, students, no matter what age, are more likely to continue on their second language journeys and grow towards acquiring proficiency in the language.

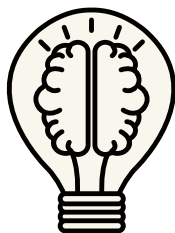
Our coaches use a **play-based** teaching model that is engaging & fun, while using a **comprehensible input model** in which our coaches stay in the target language at least **75% of the time**. Coaches create immersive lesson plans tied to language and culture focusing on traditional art, food, and activities.

Affinity



Our main goal is to spark an affinity and life-long curiosity around world languages and cultures. We focus on play-based activities, keeping our classes novel, engaging, and fun.

Aptitude



Through our classes and programs students develop an aptitude for language learning based on a feeling of safety, repetition, and growing familiarity with language learning.

Acquisition



Finally, in our program students begin the life-long journey towards language acquisition and proficiency by building a reservoir of familiar vocabulary and phrases.

PROGRAMS

In 2019-20, WLI-MT collectively providing world language education opportunities from kindergarten to adults to over 1,400 Bozeman-area community members in 7 different languages.

K-5 After-School Program

An 18-week, small-group language & culture program meeting weekly for 1 hour after school. Programs available in Mandarin, German, French, & Spanish at all Bozeman elementaries



K-5 In-School-Day Program

A program designed to offer language & culture programming to all K-5 elementary students. Currently in 4 elementary schools in Korean, Arabic, Turkish, French & Spanish



Online Language Program

Created in response to COVID-19, our online programs are for all ages and allow students to maintain their language skills, or try it for the first time! Programs available in Arabic, Mandarin, French, German, & Spanish



K-8 Summer Language Camps

In partnership with The City of Bozeman Parks & Rec, we offer week-long language & culture camps. Programs available in Mandarin, German, French, Arabic & Spanish



Arabic Language in Bozeman

Quickly expanding, our Arabic programs include an middle school after-school Arabic Club, in-school-day Hour of Enrichment at Irving Middle School, online programs, & adult programs



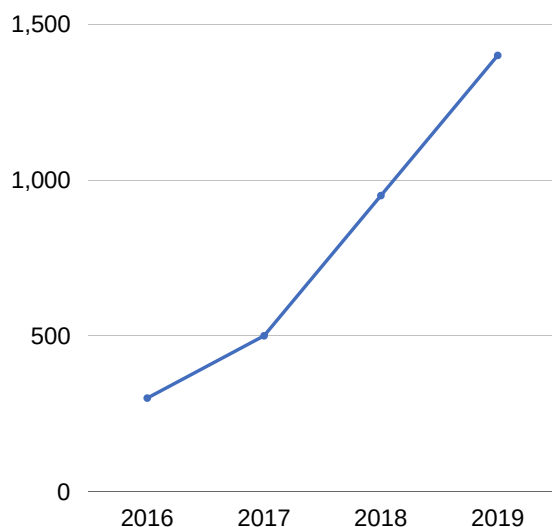
Adult Language Program

Offered throughout the year, we are pleased to offer language programs to adults (ages 15+) in our Emerson office space (currently online). Current & past languages include Spanish, French, German, Mandarin, & Arabic



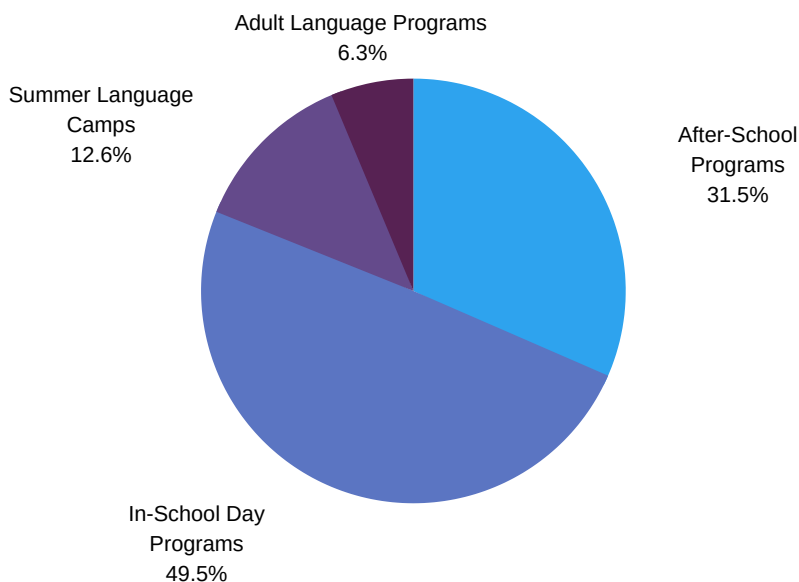
IMPACT

Yearly Progression



Reach

Based On 2019-20 Programs



Scholarships

25 %

of students receive program scholarships



No student has ever been turned away from our program



Language Coaches

55 %

of our language coaches are native speakers

27

Language coaches

7

Different languages

Programs

12 Bozeman-area schools



Over 1,500

students & community members reached



WLI-MT STAFF

Elizabeth Williamson, Executive Director



Elizabeth Williamson is by training a geographer, cartographer and spatial analyst. After receiving her Masters in Land Resources and Environmental Sciences from MSU, she spent a decade focused on Northern Rockies wildlife conservation world as a project coordinator and manager. When her oldest daughter reached elementary age in 2013, she was part of the parent-initiated Friends of World Language - Bozeman. At that time, the group was earnest in their desire to see greater k-5 world language education opportunities in the Bozeman Public Schools. Through her leadership, she spearheaded the k-5 after school world language program's growth into all 8 Bozeman elementary schools. In collaboration with other language focused community members, Elizabeth went on to found the World Language Initiative - MT in 2017. She is the currently WLI-MT's Executive Director, focusing on the growth and sustainability of the organization, as well as the development of in-school day, summer camp, and adult world language and culture programming. Elizabeth with "die happy" the day that all Bozeman Area k-5 students receive world language and culture education in elementary school and when Arabic and Chinese are available k-12 to all Bozeman students.

Hannah Jacobsma, Program Coordinator



Hannah joined the WLI-MT Team as a French Coach in the fall of 2018, and joined the core staff in the winter of 2019. She received a double major from Hope College in French and English (creative writing). During college, she lived for 6 weeks in Arles, France, where she studied the History of French Photography. In the autumn following her college graduation, Hannah moved to Samatan, France, a village of just under 2,000 people. There, she was an English Teaching Assistant in a middle school and trade school. In this role, she loved teaching language through songs and stories, and enjoyed finding new ways to let students express their individuality and creativity through language. In January 2018, Hannah moved to Bozeman to work for an outdoor adventure camp for girls. She now works as a French coach, is the WLI-MT Program & Event Coordinator, and teaches K-5 ballet classes in Manhattan, MT. She is very passionate about empowering young people in all facets of life, and believes the power of learning about languages & cultures can move mountains. She loves helping to create new language & culture programs for the Bozeman-area community, and is incredibly grateful to be a part of this team of inspirational educators and language enthusiasts.

Kristen Wolf, Lead Coach / Mentor



Kristen (@LaLobaLista) completed her curriculum and instruction master's degree at MSU in 2015. Her background as a Montessori & Spanish teacher has led her to understand the process of language acquisition and human development in truly meaningful ways. Kristen enjoys creating a community with her classes. La Loba Lista's (the ready/ clever Wolf) teaching style is engaging, story based and supported by current language acquisition research (comprehensible input). She is a dynamic educator and presenter. Kristen recently earned the distinction of Montana Language Teacher of the Year for 2019. She is blessed with two children and a very supportive husband, as well as three dogs. Kristen loves getting outside and enjoying the beauty of Montana and its vibrant communities. She has travelled extensively and lived in Spain. She encourages you to come participate in or observe a class!!

WLI-MT TEAM

WLI-MT has a team of
over

50

Language coaches,
core staff members, &
volunteers

Our Team consists of :

Native Speakers



MSU Volunteers

Parent Volunteers



Current & Former Teachers



Passionate Community Members

WLI-MT Board Members

Melissa Richey, **President**, Director of Development at the Greater Yellowstone Coalition

Christina Clark, **Secretary**, community member, educator, former missionary

Mollie Pugh, **Treasurer**, Manager with Corptax, Inc.

Kali Huffman López, **Officer**, business woman, dual resident in Oaxaca, Mexico

Katie Wing, **Officer**, owner of The Loft Spa, Bozeman

Brigitte Morris, **Officer**, MSU faculty, founder of École Française



FINANCIALS

Aug 1, 2019 - July 31, 2020

WLI-MT established 501c3 status in August 2017

\$106,503 Program Enrollment Fees

\$11,939 Grant Award

\$8,819 Cash Donations

\$6,033 Event Revenue

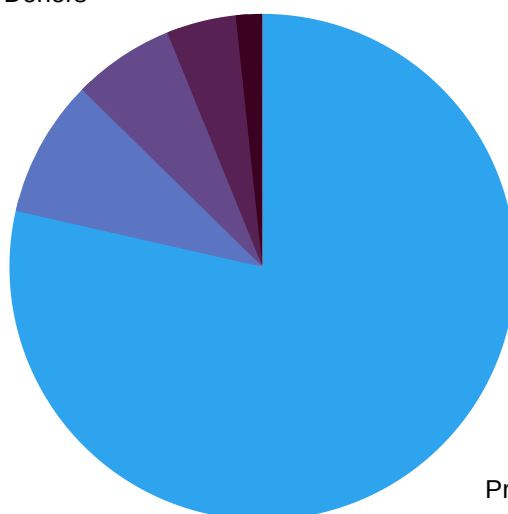
\$2,293.33 Other

Total Revenue
\$135,589

Private & Business Donors 6.5%

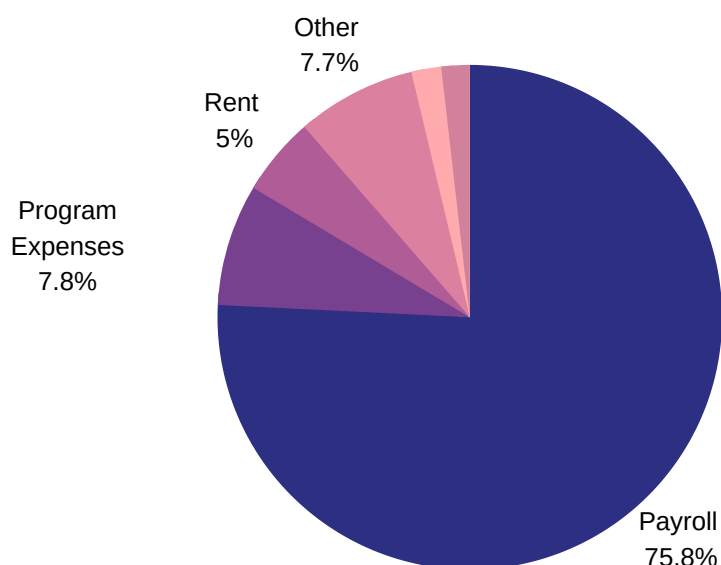
Grant Award 8.8%

Event Revenue 4.4%



Revenue

Expenses



\$98,333.59 Payroll

\$10,116.71 Program Expenses

\$6,529 Rent

\$2,354.85 Fundraising & Event Charges

\$2,483.27 Legal & Professional Services

\$1,807.07 Office Supplies & Software

\$8,143.31 Other

Total Expenditures
\$129,767.80

Liabilities

\$14,100 PPP Loan

Total Liabilities
\$14,100

OPPORTUNITY

Annual goals for **2020-2021** include focusing on programatic growth, organizational sustainability & increasing our program reach to additional Bozeman-area schools

Fundraising

- Increase the percentage of grant contributions to our annual revenue from 2%-25%
- Increase business sponsors cultivation for advertising dollars in newsletter
- Increase annual revenue generated directly from board supported fundraising
- Incorporate 2 additional board members with expertise in business & patron development

Programming

- Implement in-school day access period classes for Arabic and Mandarin at 1 of the 2 Bozeman Middle Schools
- Cultivate partnerships with Modern Language Department at the 2 Bozeman high schools
- Expand Adult Language Program offerings
- Grow our After-school Program to an increasing number of Bozeman-area schools via our Fall Online Language Program

Sustainability

- Fully funded Executive Director (1 FTE, competitive non-profit salary)
- Establish goals to train staff for teaching both in-person & online in 2020-21
- Continued training in grant writing to achieve sustainability completed with Dottedi consultants
- Complete training in board management & non-profit leadership
- Complete research with MSU supporting evidence of in-school day language education benefits





WLI-MT 2018 Summer Camp
student enjoying Spanish
Language Camp!





The Mission of BELLA is to increase English literacy for newcomer youth in Gallatin County and bolster career and college readiness through culturally relevant, community-based instruction & programming

Learn More

ABOUT OUR PROGRAMMING AT
WWW.WLIMT.ORG

EMAIL US AT INFO@WLIMT.ORG

OFFICE LOCATION: THE EMERSON CULTURAL
CENTER ROOM 202
111 S. GRAND BOZEMAN, MT 59715

The BELLA Program

is brought to this community by



Bienvenidos Community Group



BELLA PROGRAM

The Bozeman English
Learner Literacy Alliance

Bienvenidos ~ Welcome





Why BELLA ?

This alliance was formed to

Provide literacy & grade-level readiness support for EL youth

Build student confidence through language learning & cultural awareness

Offer fun & accessible summer enrichment for EL youth in Gallatin Valley



The BELLA Program

The BELLA Program invests in Gallatin Valley **Newcomer Youth** to become successful citizens of our valley through literacy support, enrichment programming, & mentorship

BELLA is a **community-driven program** lead by experienced World Language Initiative Coaches & MSU Professors and taught by BELLA Language Coaches and middle & high school Junior Coaches (also EL youth)

Student Experience

Through BELLA, learners will

- Engage in daily English Language instruction
- Improve English & Spanish literacy skills
- Be provided with an EL Mentor
- Work on social & emotional development
- Work towards a sense of belonging in their community
- Experience hands on, exploratory learning
- Be empowered to advocate for themselves & their communities
- Receive a FREE, healthy daily lunch

*"When we come together we rise.
And in the world we're building together,
everyone rises" - Melinda Gates*

Program Details

5 Week FREE Program for K-5 EL Learners in The Bozeman School District

June 21 - July 22

10am-2pm (M -Th)

Location : Beth Shalom Congregation

Program Size : 30 students

**For questions contact
Paola Torres : paola@wlimt.org**





World Language Initiative - MT's **Mission** is to make language & culture education available to all Montanans

Learn More

ABOUT OUR PROGRAMMING AT
WWW.WLIMT.ORG

EMAIL US AT INFO@WLIMT.ORG

OFFICE LOCATION: THE EMERSON CULTURAL
CENTER ROOM 202
111 S. GRAND BOZEMAN, MT 59715



If you or your business would like to sponsor a small-group language program, please reach out to info@wlimt.org



SMALL GROUP LANGUAGE PROGRAMS

欢迎~ Bienvenue ~ Bienvenidos~
Welcome ~ Willkommen~
أهلا بك





Small Group Program Offerings

Programs offered in some or all of the following languages

Mandarin, French, Spanish, English, German, & Arabic

with an intention to include Japanese & Italian within the next 2 years.

- K-5 after-school program at The Emerson
- K-5 after-school online program
- Adult program at The Emerson
- Adult online program
- Adult specialized language classes for organizations & businesses
- Youth specialized language classes for homeschool and family groups

To set up a specialized language class for youth or adults, please email info@wlimt.org or call 406-414-6419

Small Group Language & Culture Programs

For youth & adults

It is our **mission** to make World Language Programming available to all Montana students K-5, creating a pathway for continued language education grades K-12, through adulthood.

Our programs focus on **building an affinity for world languages & cultures** through immersive, interactive, and engaging communicative language teaching models.

Fall & Spring Small Group Program Details

Fall sessions run for 8 weeks, October - December, and spring sessions run for 12 weeks, February-April

Program costs range from \$12-\$15 / class

Classes are held at the WLI-MT Learning Center in The Emerson, room 202



Small-group student shows off her circus skills in French!



Our Language Coaches

Our team of Language Coaches are dedicated community members who are passionate about bringing second language & culture education opportunities to our community, and to The State of Montana.

About **50%** of our Language Coaches are native or heritage speakers!

They use their talents & passions to deliver **high quality language instruction**. Our Coaches teach through art, song, dance, cooking, circus performance, storytelling, and more!

Interested in teaching with us?

We are seeking Language Coaches to join our team of educators!

Send resumé & statement of interest to info@wlimt.org



To whom it may concern:

We at Bozeman Public Library are happy to offer a letter of support for the World Language Initiative as they seek funding from the CARES act offered by the City of Bozeman.

Bozeman Public Library's mission to facilitate opportunities to explore, connect, and inspire curiosity in our community and beyond lends itself well to creating a robust partnership with the World Language Initiative (WLI). Offering classes and programs in conjunction with WLI advances our mission as well as their goals of bringing language and culture to our growing community. Our busy library serves patrons of all ages and demographics and WLI's proposed programs, especially those focusing on English Language Learners of all ages as well as foreign language classes and conversation tables, are well suited to the needs of our community. Through our efforts with bilingual storytimes, as well as visiting different, far-reaching neighborhoods in our community with our Bookmobile and our outreach programs, we have seen firsthand the changing demographics in our community as it continues to grow and diversify.

We fully support the World Language Initiative's future programs and mission and we are excited to collaborate with them in the near future.

Sincerely,

Corey Fifles, BPL Programming and Outreach Librarian
Kit Stephenson, BPL Assistant Director



Bozeman Public Schools

404 West Main, P.O. Box 520
Bozeman, MT 59771-0520
www.bsd7.org

September 27, 2021

Dear City of Bozeman ARAP RFP Managers:

As the English Learner (EL) coordinator in the Bozeman School District serving 245+ students of whom 170 are Latinx, I am thrilled by the possibility that our Latinx EL population may receive funding support from the COB American Rescue Act. I have witnessed firsthand the devastating effects of COVID on this community both physically and financially. Our newcomer immigrant EL families from Honduras, all who lived below the poverty level, have lost dearly needed wages due to contracting the virus or having to stay home with children who have been quarantined. Many of our ELs work in the restaurant and hotel industries so when those businesses are shut down due to outbreaks or periods of waning tourism related to COVID, our EL families find themselves in complete financial crisis with no safety net. They are the most vulnerable population in our Bozeman community.

Additionally, COVID has resulted in the unprecedented rise in rents being charged in Bozeman. Even the trailer parks have disproportionately raised trailer rental prices. As a result, it is common that multiple EL families are living in a two bedroom mobile home trailer that can cost \$2000 in rent. Crowded EL homes only complicate the transmission of COVID as EL families struggle to stay healthy to continue to work, so it is a never ending cycle of emotional, physical and financial stress for these families. Currently, 46 English Learner families are on the McKinney Vento program list due to homelessness or severely overcrowded housing. We are working closely with HRDC and Family Promise to try to address this housing crisis, but they are also stretched.

The support of Elizabeth Williamson and the World Language Initiative MT organization have been an absolute Godsend over the past year. They raised funds and created partnerships to run the BELLA Summer Literacy Program to support 28 Latino children who need English language and literacy instruction. WLI is finding ways to provide online evening ESL classes for their parents who dearly want to learn English and assimilate and achieve their dreams in our Bozeman community. The Bozeman School District is so grateful to the WLI/BELLA organization because our EL numbers have almost doubled in the past 5 years, and there is no state budget line allotted to support the intensive educational needs of this growing population. The federal government allots \$132 dollars per EL student, but that does not begin to cover the staffing and instructional costs of EL programming. Our district pays for 1 FT EL coordinator, 1 full time EL teacher and an aide, but with over 250 students in need of linguistic/academic support, we are left shorthanded now that a fourth of our ELs are level 1 newcomers to English. Only 2 state legislatures across the entire US, Montana and Mississippi, do not fund EL programs at a level similar to that of Special Education. As a result, there is a huge need for summer literacy and evening ESL programming that WLI/BELLA has generously stepped in to provide.

By supporting the WLI/BELLA initiatives, the City Bozeman will be taking a vitally important step to support education and the shared values we cherish in our Bozeman community. This grant will promote oral and written English literacy within a population that is setting down roots in Bozeman. Supporting the education and integration of these immigrant families is a win-win for the Bozeman Community as a whole!

Ellen Guettler

Ellen Guettler M.ED., M.ELL
English Learner Coordinator

Dear Commissioners,

Sept. 27, 2021

I am writing on behalf of the BELLA Summer Camp program, sponsored by the World Language Initiative, that provides English learning and enrichment activities for ESL children. I served as a volunteer this past summer and was able to observe the benefits for the children I taught.

I am also a volunteer for Bienvenidos, the organization formed last year to aid our newly arrived immigrant families. We provide emotional support, mentoring, and help in accessing community resources, as well as tutoring and teaching English for adults and children.

As a mentor, I serve three different families, who have a total of 7 children in the Bozeman Public schools. These children are bright and eager to learn, but they need help in learning English. During the BELLA summer program in July of this year, they became more confident in speaking English, loved the songs we sang every day, and increased their vocabulary. I have seen the pride their parents show when I speak English with their children in front of them.

BELLA offers a very needed service for these children. Many of them struggled last year to learn online due to Covid restrictions and parental fears of being in large groups of children. BELLA gives them the opportunity to have lots of individual attention, maintain the learning from the school year, and begin the next school year speaking more English and feeling more confident.

Working closely with these immigrant families has given me first-hand knowledge of how hard they struggle to make ends meet, to build a new, safe life for themselves, and to become a part of the larger community. These families are here, contributing to the construction, restaurant, and hospitality sectors of our community. They are providing needed workers and through bringing more diversity to this community will enhance Bozeman for all of us.

Sincerely,

Amanda Cater
Volunteer Coordinator
Bienvenidos a Bozeman (Welcome to Bozeman)

Memorandum

REPORT TO: City Commission

FROM: Cynthia L. Andrus

SUBJECT: Mayor Proclamation Proclaiming Small Business Saturday

MEETING DATE: November 23, 2021

AGENDA ITEM TYPE: Administration

RECOMMENDATION: Proclaim Saturday, November 28, 2021 as Small Business Saturday

STRATEGIC PLAN: 1.2 Community Engagement: Broaden and deepen engagement of the community in city government, innovating methods for inviting input from the community and stakeholders.

BACKGROUND: Proclaiming November 28, 2021 as Small Business Saturday.

UNRESOLVED ISSUES: None.

ALTERNATIVES: None.

FISCAL EFFECTS: None.

Report compiled on: November 17, 2021

Memorandum

REPORT TO: City Commission

FROM: Lynn Hyde, Planner
Chris Saunders, Community Development Manager
Marty Matsen, Community Development Director

SUBJECT: Mountains Walking Growth Policy Amendment, Application 21318

MEETING DATE: November 23, 2021

AGENDA ITEM TYPE: Community Development - Legislative

RECOMMENDATION: Having reviewed and considered the application materials, public comment, Planning Board recommendation, and all the information presented, I hereby move to adopt the findings presented in the staff report for application 21318 and move to approve the Mountains Walking growth policy amendment with contingencies.

STRATEGIC PLAN: 4.2 High Quality Urban Approach: Continue to support high-quality planning, ranging from building design to neighborhood layouts, while pursuing urban approaches to issues such as multimodal transportation, infill, density, connected trails and parks, and walkable neighborhoods.

BACKGROUND: Gustav Dose (landowner), 414 N. Plum Ave, Bozeman, MT, 59715, and Allied Engineering Services, Inc. (applicant), 32 Discovery Drive, Bozeman, MT, request to amend the Bozeman Community Plan Future Land Use Map designation from Urban Neighborhood to Community Commercial Mixed Use on approximately 0.244 acres developed with a single household structure. The site is addressed as 414 N Plum Ave, Bozeman, MT 59715.

Discussion and criteria for deciding on this growth policy amendment application are limited to those in this report. Other elements of the future development, such as a specific building project proposal, will be addressed separately in the future through a site plan review or similar.

There have been numerous public comments received regarding this project both in favor and against. Written comments are available at the below link. Many commenters have merged comments on this growth policy amendment with the zone map amendment application Mountains Walking 21319 which follows this growth policy amendment, thus the public comments have been combined into one folder to ensure all comments are entered into the record.

<https://weblink.bozeman.net/WebLink/Browse.aspx?>

id=256275&dbid=0&repo=BOZEMAN

Planning Board

The Planning Board held a public hearing on November 1, 2021 for the GPA. The motion to recommend approval of the amendment to the land use designation failed, 3-3. See additional discussion below.

https://bozeman.granicus.com/player/clip/175?view_id=1&redirect=true
(27:05 presentation begins, 1:23:14 public comment, 2:06:18 Planning Board discussion, 2:36:35 vote).

UNRESOLVED ISSUES: There are no identified conflicts between the City and Applicant regarding the zoning at this time.

ALTERNATIVES:

1. Deny the application based on the Commission's findings of non-compliance with the applicable criteria contained within the staff report; or
2. Open and continue the public hearing on the application, with specific direction to staff or the applicant to supply additional information or to address specific items.

FISCAL EFFECTS: There are no fiscal effects identified at this time.

Attachments:

[21318 Mountains Walking GPA SR_CityCommission.pdf](#)
[21318 Mountains Walking GPA Resolution of Intent.pdf](#)
[GPA Development Review Application \(Form A1\)](#)
[2021_07_29.pdf](#)
[GPACoverLetter_08032021.pdf](#)
[GPANarrativeAndFigures_08032021.pdf](#)
[GPAFutureLandUseMap_08032021.pdf](#)
[GPAExhibitOfProperty_08032021.pdf](#)

Report compiled on: November 12, 2021

21318, Staff Report for the Mountains Walking Growth Policy Amendment (GPA).

Public Hearing Dates:

Planning Board November 01, 2021. See further discussion below.

City Commission November 23, 2021. **Meeting to be held electronically.** Details available on the City Commission agenda.

Project Description: A growth policy amendment (GPA) to revise the future land use map from Urban Neighborhood to Community Commercial Mixed Use for .244 acres more or less.

Project Location: The property is addressed as 414 N Plum Avenue and legally described as Lots 18, 19, and 20, Block 50 of the Northern Pacific Addition, located in the Northeast One – Quarter of Section 7, Township 2 South, Range 6 East, Principal Meridian Montana, City of Bozeman, Gallatin County, Montana.

Recommendation: Meets standards for approval

Planning Board Motion: Having reviewed and considered the application materials, public comment, and all information presented, I hereby move to adopt the findings presented in the staff report and recommend approval to the City Commission of the growth policy amendment application 21318 with contingencies and subject to all applicable code provisions. *The motion to recommend approval of the amendment to the land use designation failed, 3-3*

City Commission Recommended Motion: Having reviewed and considered the application materials, public comment, Planning Board recommendation, and all the information presented, I hereby move to adopt the findings presented in the staff report for application 21318 and move to approve the Mountains Walking growth policy amendment with contingencies.

Report: November 09, 2021

Staff Contact: Lynn Hyde, Development Review Planner

Agenda Item Type: Action – **Legislative**

21318, Staff Report for the Mountains Walking Growth Policy Amendment (GPA).

EXECUTIVE SUMMARY***Unresolved Issues***

There are no identified conflicts between the City and Applicant regarding the growth policy amendment at this time.

Project Summary

Gustav Dose (landowner), 414 N. Plum Ave, Bozeman, MT, 59715, and Allied Engineering Services, Inc. (applicant), 32 Discovery Drive, Bozeman, MT, request to amend the Bozeman Community Plan Future Land Use Map designation from Urban Neighborhood to Community Commercial Mixed Use on approximately 0.244 acres developed with a single household structure. The site is addressed as 414 N Plum Ave, Bozeman, MT 59715.

Discussion and criteria for deciding on this growth policy amendment application are limited to those in this report. Other elements of the future development, such as a specific building project proposal, will be addressed separately in the future through a site plan review or similar.

There have been numerous public comments received regarding this project both in favor and against. Written comments are available at the below link. Many commenters have merged comments on this growth policy amendment with the zone map amendment application Mountains Walking 21319 which follows this growth policy amendment, thus the public comments have been combined into one folder to ensure all comments are entered into the record.

<https://weblink.bozeman.net/WebLink/Browse.aspx?id=256275&dbid=0&repo=BOZEMAN>

Planning Board

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(27:05 presentation begins, 1:23:14 public comment, 2:06:18 Planning Board discussion, 2:36:35 vote).

Staff summary of the Planning Board Findings are:

1. Negative:

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Potential uses that are associated with implementing districts for the Community Commercial Mixed Use are not consistent with the Urban Neighborhood designation. These inconsistencies include intensity of uses, height limits, and potential offsite impacts from future uses available under the implementing zoning districts. Extension of the Community Commercial Mixed Use future land use could increase likelihood of negative impacts due to the inconsistencies.

2. Positive:

Proposal supports the growth policy for an opportunity to support commercial use (particularly small local businesses), neighborhood commercial nodes, and alternative housing types for workforce housing.

Alternatives

1. Deny the application based on the Commission’s findings of non-compliance with the applicable criteria contained within the staff report; or
2. Open and continue the public hearing on the application, with specific direction to staff or the applicant to supply additional information or to address specific items.

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SECTION 1 - MAP SERIES

Map 1: Aerial view of existing area



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Planning Division
Intended for Planning purposes only.

Revised: 10/20/2021

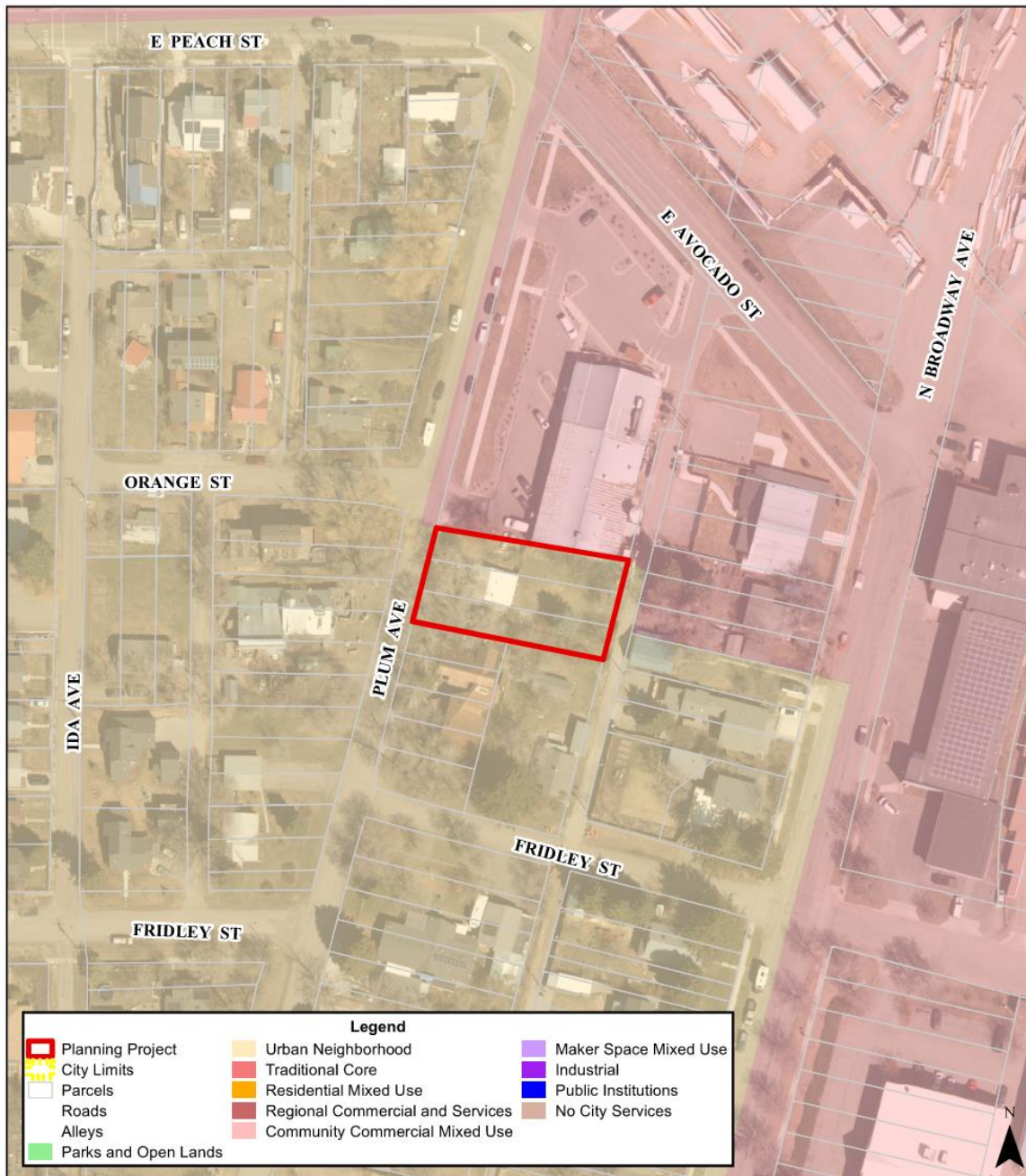
1 inch = 100 feet

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Proposed Growth policy Amendment
Application 21318
Submitted 08/04/2021

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Planning

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Map 2: View of existing area Future Land Use Map designations, Bozeman Community Plan



This map was created by the
City of Bozeman
Planning Division
Intended for Planning purposes only.

Revised: 10/20/2021

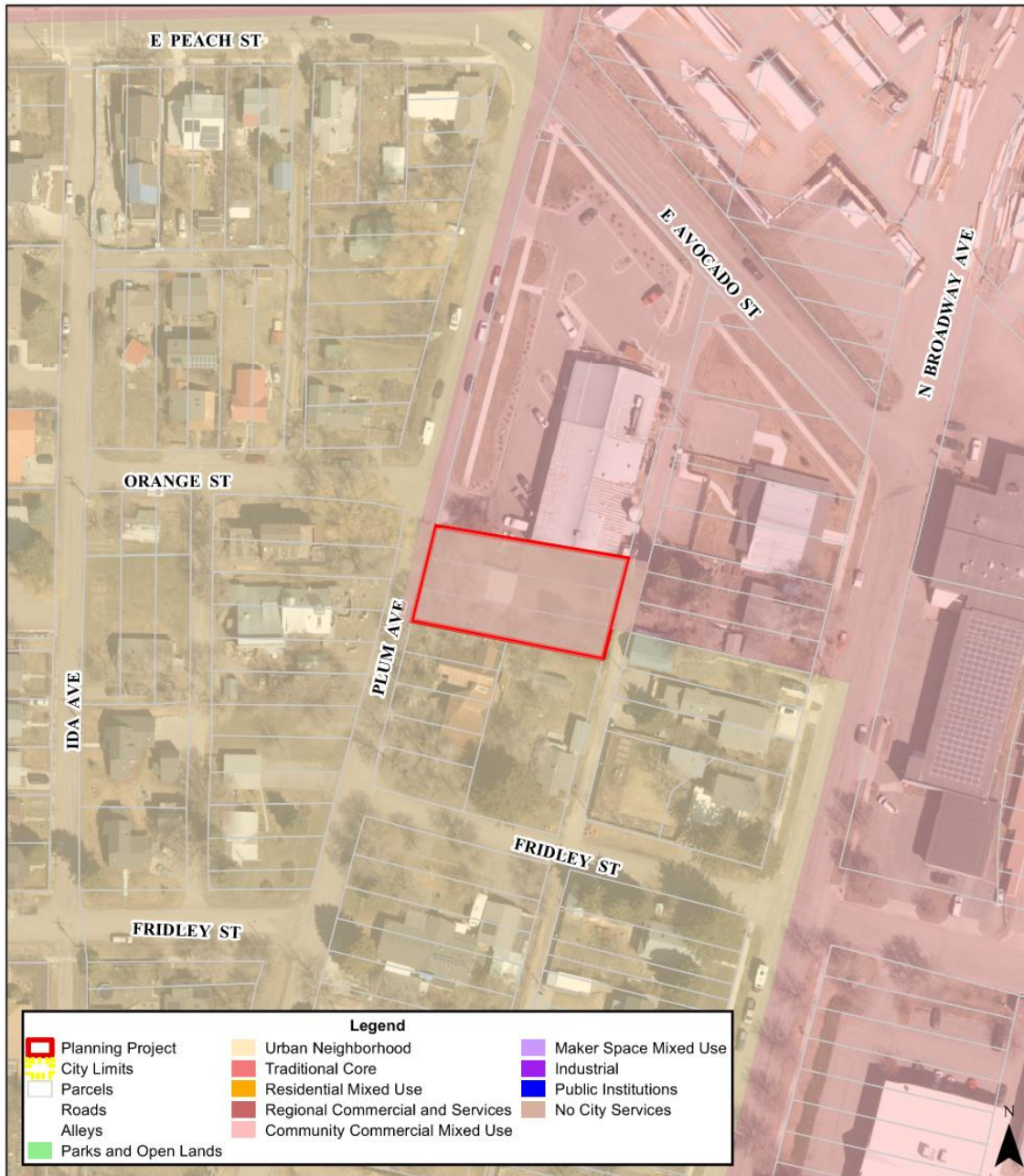
1 inch = 100 feet

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Planning

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Map 3: Proposed amendment to the Future Land Use Map, Bozeman Community Plan, changing the subject property from Urban Neighborhood to Community Commercial Mixed-Use



This map was created by the
City of Bozeman
Planning Division
Intended for Planning purposes only.

Revised: 10/20/2021

1 inch = 100 feet

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Application 21318
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SECTION 2 - RECOMMENDED CONTINGENCIES OF APPROVAL

1. The implementing Resolution for the Growth Policy Amendment shall not be drafted until the applicant provides an editable metes and bounds legal description prepared by a licensed Montana surveyor.
2. All required materials shall be provided to the Department of Community Development within 60 days of a favorable action of the City Commission or any approval shall be null and void.

SECTION 3 - RECOMMENDATIONS AND FUTURE ACTIONS

Having considered the criteria established for a growth policy map amendment, the Staff recommends approval with contingencies for the application as submitted. The Development Review Committee (DRC) considered the amendment on September 19, 2021 and did not identify any infrastructure or regulatory constraints that would impede the approval of the application at this time.

The Planning Board held a public hearing on November 1st for the GPA. The motion to change the land use designation failed, 3-3. See additional discussion below.

https://bozeman.granicus.com/player/clip/175?view_id=1&redirect=true

(27:05 presentation begins, 1:23:14 public comment, 2:06:18 discussion, 2:36:35 vote).
See discussion above in the *Executive Summary*.

SECTION 4 - STAFF ANALYSIS AND FINDINGS

Analysis and resulting recommendations are based on the entirety of the application materials, municipal codes, standards, plans, public comment, and all other materials available during the review period. Collectively this information is the record of the review. The analysis in this report is a summary of the completed review.

Amendments to the growth policy may be initiated three ways: 1) by the City Commission; independently or at the suggestion of the Planning Board or the City Staff; 2) by one or more landowner(s) of property that are the subject of the amendment to the future land use map; and 3) Interested members of the public may suggest modifications to the text. For this application it is number 2; a landowner of property is initiating the amendment. In considering applications for approval under this title, the advisory boards and City Commission must consider the following criteria (1-4) established in the adopted growth policy. In making these findings, they may identify that there are some negative elements

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within the specific criteria, however the final balance must be found to be a positive outcome for approval. As an amendment is a legislative action, the Commission has broad latitude to determine a policy direction. The burden of proof that the application should be approved lies with the applicant.

Chapter 5, Page 67, Bozeman Community Plan Amendment Criteria.

- 1. The proposed amendment must cure a deficiency in the growth policy, or improve the growth policy, to better respond to the needs of the general community;**

Criterion Met. This criterion contains two alternate parts. A favorable finding for either part supports a positive finding.

Staff first reviewed the proposal for its ability to cure a deficiency. It does not appear the proposed amendment is intended to cure a deficiency in the growth policy.

A discussion point at the Planning Board was the border between Community Commercial Mixed Use and Urban Neighborhood future land use designations dividing the block along property boundaries. This not optimal as it places transitions in uses and development standards along a property line rather than a physical separation such as a street. The proposed amendment changes the location of the boundary by about 75 feet. However, the border between the two future land uses is still dividing the block along property boundaries. To the extent that the dividing line along property lines in the current growth policy can be considered a deficiency, this proposed amendment does not cure it.

The second part of the criterion is “to better respond to the needs of the general community.” The applicant is proposing this land use change as a response to the needs of the community by providing additional commercial space and housing opportunities. Currently the property to which this application applies has an Urban Neighborhood Land Use which includes multiple zoning designations supporting a variety of densities in a variety of types, shapes, sizes, and intensities, but does not support commercial uses. The property is more specifically zoned R-2, Residential Moderate Density District which allows a single two-household structures on a lot (could also contain an ADU if sufficient lot size exists). Given the size of the parcel, not more than one two-household structure and one ADU would be possible. The applicant is proposing Community Commercial Mixed Use through this growth policy amendment and if approved, a subsequent Zone Map Amendment requesting B-2M, community business district – mixed. This new land use designation (and subsequent zone map amendment) would allow an expansion of

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commercial uses and additional housing types. See municipal code Division [38.310](#) for the authorized uses in residential districts (Section 030) and for the authorized uses in the commercial districts (Section 040).

The following goals, objectives, and actions from the Community Plan have been found in support of this growth policy amendment.

Theme 2: A CITY OF UNIQUE NEIGHBORHOODS**Goal N-1.1: Support well-planned, walkable neighborhoods.**

N-1.1.LU-2: Promote housing diversity including missing middle housing.

Discussion: The change in land use and subsequent zoning change would allow alternative housing types that are not necessarily affordable by definition, but would likely be more affordable due to the size and scale of the units. Additional housing, including a variety of types has been and continues to be a need and priority for the city of Bozeman.

Goal N-2: Pursue simultaneous emergence of commercial nodes and residential development through diverse mechanisms in appropriate locations.

N-2.3. Investigate and encourage development of commerce concurrent with, or soon after, residential development. Actions, staff, and budgetary resources relating to neighborhood commercial development should be given a high priority.

Discussion: As discussed in this goal, concurrent commercial with residential opportunities is a goal within the Community Plan. The applicant's proposal to change the land use to Community Commercial Mixed Use directly supports a mix of housing and employment opportunities or destinations for residents to walk to. However it should be noted that there are existing commercial opportunities in this neighborhood, and some neighbors have commented they do not wish to see the proposed land use extended into the existing residential land use.

Goal N-3: Promote a diverse supply of quality housing units.

N-3.8: Promote the development of "Missing Middle housing (side by side or stacked duplex, triplex, live-work, cottage housing, group living, rowhouses/townhouses, etc.) as one of the most critical components of affordable housing.

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Discussion: The applicant has stated one of the motivators behind these request is to provide employee housing which is increasingly difficult to find in Bozeman. The current zoning district of R-2 does not allow more than a two-household unit on a lot. While there is no certainty the applicant will move forward with the development, even if the land use designation is approved, the change in land use would allow additional space in the city for these “Missing Middle” types of housing such as rowhouses.

THEME 3: A CITY BOLSTERED BY DOWNTOWN AND COMPLEMENTARY DISTRICT

Goal DCD-2: Encourage growth throughout the City, while enhancing the pattern of community development oriented on centers of employment and activity. Support an increase in development intensity within developed areas.

Discussion: The proposed change in land use would support an increase in development intensity within an already developed area, also referred to as infill. This goal focuses on development oriented on centers of employment and activity. This neighborhood has historically been a mix of residential and commercial activity. The change in land use to Community Commercial Mixed Use would create the opportunity for an infill development of increased intensity within an already developed commercial node.

The below diagram found within the Community Plan identifies the implementing zoning districts of the current and proposed land use designation. Both allow for several different zoning districts that authorize a wide range of possible future development. There are no zoning districts which are limited to only one type of development. The expansiveness and intensity of development allowed varies between districts. The change to Community Commercial Mixed Use facilitates the potential for a variety of commercial services on the site as well as more traditional multi-household structures. Neither designation requires development to occur on any particular schedule or sequence.

CORRELATION WITH ZONING

The zoning districts which implement each future land use category are shown in relation to each future land use category in chart below. For zoning district intent, see [38.300](#). For permitted uses, see [38.310](#).

Urban Residential

R-S, R-1, R-2, R-3, R-4, R-5, R-O, REMU
RMH, B-1, PLI



Community Commercial Mixed Use

R-O, REMU, B-1, B-2, B-2M, UMU, NEHMU
PLI



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Public comments were received expressing concerns about possible impacts to adjacent property owners if the requested amendment is approved. A growth policy is a balance of many different views of what is good and appropriate for the community as a whole and smaller areas within it. The potential negative impacts are discussed further in Criteria 4.d.

Without question, development of adjacent vacant property impacts already developed property. Those impacts may be negative, positive, or a mix of both negative and positive. Individuals may have divergent opinions on whether any development is an asset or injury depending on how they individually weight issues of concern. To give weight to all the various priorities of the community requires that not every issue be maximized to the detriment of others. As shown in the citations above and throughout the Community Plan, the City has many areas of interest and concern that must be considered. Advancing those goals as a whole may impact some citizens more than others. To enable consideration of possibly conflicting interests the City has established the growth policy amendment process and criteria. The process enables affected parties to express their support or concern, seek information, and be heard before any decision is made. This process enables consideration necessary to meet the required fair and proper balance, protect rights, and affirm community values.

Staff finds that the amendment improves the growth policy and better responds to the needs of the general community by providing the greater possibility of needed services in proximity to new and existing residential development. The area has been a mix of residential and industrial/commercial uses for over a century. The amendment does not alter that character. The amendment does move the border to expand one and lessen another group of uses.

In addition, the applicant states, "Changing the future land use designation for the lot to Community Commercial Mixed Use will better meet the needs of the general community by allowing for expansions of the current Mountains Walking Brewery. Expansion of the brewery will provide an easily accessible gathering place for the community to come together, enjoy craft beer, and make good conversation. The expansion will also provide employee housing on the upper floor which is an excellent way to meet the needs of employees who struggle to find affordable housing in Bozeman. In addition, the new future land use designation promotes redevelopment by converting the existing residential property into a multi-use lot. Multi-use properties help promote diverse uses of land in very close proximity to one another which ultimately reduces traffic congestion on the roads and the air pollution associated with motor travel. Redevelopment, as opposed to new development, saves time, money, and resources by connecting to existing

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utilities. In this case, adequate water, drainage, transportation, and sanitary facilities will be provided via existing utilities located in Plum Avenue.

2. The proposed amendment does not create inconsistencies within the growth policy, either between the goals and the maps or between different goals and objectives.

Criterion Met. Staff reviewed the growth policy goals and objective and future land use map. The proposed amendment to change .244 acres from Urban Neighborhood to Community Commercial Mixed Use does not create any identified inconsistencies within the growth policy goals or between goals and maps. See discussion for Criterion 1.

The Community Plan states the ‘Future land use is the community’s fundamental building block. It is an illustration of the City’s desired outcome to accommodate the complex and diverse needs of its residents.’

The change and subsequent rezoning would allow for commercial, residential, and or mixed-use development applications to be pursued and reviewed by the City of Bozeman. Given this relatively small site in an already developed neighborhood, the potential infill opportunity would be relatively small in scale to the city, albeit may be large to existing neighbors. However, the existing commercial node makes it a logical location to expand commercial and provide employing housing opportunities.

The character of the district has historically been and continues to be a mix of diverse uses. The existing uses to the north of the property are industrial with higher intensity uses on them and the railroad location adjacent to the neighboring properties to the north. The uses to the south and west are less dense residential on smaller lots with a more historic grid pattern of development. Thus, the subject property lies between residential (less intense land use development), and the more intense industrial use to the north. As a result, the proposed future land use map change and potential zoning designation would result in a land use suitable for the long standing character of adjacent neighborhoods.

The land use designation of the Community Commercial Mixed Use parcels to the north were previously designated as Industrial. During the most recent 2020 Community Plan update, the City Commission received a public comment ([01-06-20 Public Comment – B. Caldwell ThinkTank Design Group Growth Policy Change Proposal](#)) that recommended replacing the previous Industrial land use designation with Community Commercial Mixed Use. The Commission acted on this public comment, which is how the land use

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designation evolved to what it is today to the north, and what the applicant is requesting for the subject parcel.

All future development must demonstrate compliance with all regulatory standards addressing transportation, parks, building design, and all other standards. The standards have been crafted and adopted to implement the goals and objectives of the growth policy. Therefore, compliance with the standards will ensure this criterion is met.

3. The proposed amendment must be consistent with the overall intent of the growth policy.

Criterion Met. The overall intent of the growth policy is to proactively and creatively address issues of development and change while protecting public health, safety and welfare. If approved, the proposed amendment to the future land use map will allow the entirety of the subject property to be considered for future applications with commercial or multi-household units. The applicant has indicated they hope to expand their existing brewery to the north and add employee housing, however that is not being reviewed at this time, nor is that development guaranteed even with the approval of this land use designation request. Regardless, the change will allow more space for neighborhood design that incorporates nodes of commercial development directed at the local neighborhood, with less day-to-day reliance upon the larger commercial hubs around Bozeman that are more distant.

The growth policy discusses that at a minimum, zoning districts should follow property boundaries. The greater the physical separation, the less likely there may be a conflict. The growth policy goes on to state that a local street, typically 60 feet wide, when combined with the standards for site development is generally adequate separation. There is a pre-existing condition today that has two zoning districts separated by only a property boundary.

This subject parcel is bordered to the west by a public street, to the east by an alley, and to the north by a property with the same desired land use designation (therefore a buffer is not applicable). The existing streets assist in the separation, however to the south it is adjacent to a property with a lower intensity designation, thus relying on the zone edge transitions found within the Bozeman Municipal Code in [38.320.060](#) which require additional setbacks and or building setbacks as the height increases (see Criterion 4.d for a full discussion on zone edge transition). The Commission has adopted these standards acknowledging that although it is preferable to have a street at the zoning district boundary, conditions do exist where two different land uses and zoning districts are adjacent to one another, therefore creating code provisions to mitigate potentially

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conflicting building forms. Future development on the site would be required to meet this zone edge transition if the requested zoning change is approved.

4. The proposed amendment will not adversely affect the community as a whole or significant portion thereof by:

- a) *Significantly altering land use patterns and principles in a manner contrary to those established by this Plan,*

Criterion Met. The proposed amendment does not significantly alter land use patterns in a manner contrary to those established by the Community Plan. This amendment is for 0.244 acres, thus a relatively small amount of land that would be extending an already existing use.

The change in land use would allow a more intense development of the 0.244 acres. Because this property is bordered by a property to the south with a less intense land use and zoning district, it does create uses and bulk and dimensional standards that could negatively impact adjacent property. The adjacency condition already exists on site with the current M-1 (light manufacturing) district to the north adjacent to R-2 (moderate density residential) district on the subject property, however the proposal would push the boundary further to the south. In addition, currently this adjacency condition happens between two parcels owned by the same property owner, thus controlling the development on either site. With the proposed change, the boundary is pushed further south and is between two different property owners (not controlling the development on both sites). It is essentially an existing condition that is being pushed slightly to the south and thus affecting different properties and owners. While the impact of this altered land use pattern will affect surrounding neighbors, potentially both positively and negatively, it does not adversely affect the community as a whole or a significant portion thereof.

- b) *Requiring unmitigated improvements to streets, water, sewer, or other public facilities or services, thereby impacting development of other lands,*

Criterion met. No negative impacts to other lands or the community are anticipated as a result of the proposed growth policy amendment. The site is provided vehicular access from Plum Ave and via an alley. The project location is within the service area for municipal utilities.

The applicant adds, "Adequate water will be provided by the City's existing municipal system. Figure 6-7 in the Water Facility Plan details the existing water distribution

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system and shows that the area surrounding the proposed development has an acceptable level of head loss, indicating there is adequate capacity to provide water for the development. Adequate fire flow will be provided by Hydrant #45. According to Table 5.7 in the Water Facility Plan, a zone designation of B-2 (concurrent ZMA proposing zoning change to B-2M) needs 3,000 gpm of flow for 3 hours to fulfill fire protection requirements. According to Figure 6-8 of the Water Facility Plan, the available fire flow for the proposed development area is 4,000 – 5,000 gpm, which confirms that suitable fire flow for fire protection is met. Adequate sewer will also be provided by the City's existing municipal system. According to City's design criteria, sewer pipes that have a depth of flow to pipe diameter (d/D) ratio exceeding 0.75 are considered potentially deficient. Figure 4-8 of the Wastewater Collection Facilities Plan Update (2015) shows that the sewer pipes servicing the proposed development and surrounding area all have a depth of flow to pipe diameter (d/D) ratio less than 0.75, indicating that there is adequate wastewater capacity for proper sewage disposal. Transportation access will remain primarily unchanged. Access is anticipated to be provided via principal arterial Rouse Ave and collector streets Peach St and Broadway Ave, but can also be accessed by other local streets such as Plum Ave or on foot/bike. The proposed future land use is not anticipated to have a significant change or additional burden to public facilities. The anticipated site improvements are consistent with other uses in the area."

The site has a Walk Score of 60, a Transit score of 21, and Bike Score of 67. Average walk score for the city as a whole is 48 out of 100. These values are provided by Walk Score, a private organization which presents information on real estate and transportation through [walkscore.com](https://www.walkscore.com). The algorithm which produces these numbers is proprietary. A score is not an indication of safety or continuity of services or routes. Scores are influenced by proximity of housing, transit, and services and expected ability, as determined by the algorithm, to meet basic needs without using a car. Sites located on the edge of the community have lower scores than those in the center of the community as the area is still under development and therefore diversity of uses is less than in fully established areas. There are no adopted City code standards relating to Walk Score.

A wide range of possible intensity of development can occur depending on the implementing zoning district applied, and all zoning districts have a significant variety of development possibilities. Therefore, exact needs for future infrastructure cannot be predicted at this time. Future development requires municipal review for any additional impacts and will be evaluated at that time. Therefore, there is no

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evidence that unmitigated improvements will be required as a result of this amendment.

- c) *Adversely impact existing uses because of inadequately mitigated impacts on facilities or services, or*

Criterion Met. No adverse impacts to existing uses because of inadequately mitigated impacts on facilities or services have been identified at this time. Further discussion below in Criterion 4(d) contemplates the possibility of negative impacts to existing uses because of the intensity, size and scale that future development would be allowed with the proposed growth policy amendment and subsequent zone map amendment. Additional review will occur during site development and mitigation of any potentially adverse impacts will be addressed at that time, as required by municipal code (also see Criterion 4.b discussion above on existing infrastructure). This approach enables mitigation to be proportionate to the proposed development as required by law. The development review committee has reviewed the proposed land use designation and did not identify any infrastructure or regulatory constraints that would impede the approval of the application at this time.

- d) *Negatively affecting the health and safety of the residents.*

Criterion Neutral. The historical character of the neighborhood has been a mix of residential, industrial, and commercial that has been built up for over 100 years. As discussed in Criterion 1 above the growth policy contemplates a mix of uses in the city and commercial services within a walkable range of residential neighborhoods. This industrial, commercial and residential mix exists today in this neighborhood, however this change does move the commercial uses and land use boundary slightly further to the south.

Public comment has mentioned negative effects of the existing user and concern of potential expansion issues. These concerns include, but are not limited to, noise pollution, existing and added traffic, parking, storage of materials, deliveries, and future development bulk and dimension adjacent to residential users. While it may be a slight increase in the commercial area, the impact to the adjacent neighbors is of concern and must be noted and considered during the review and discussion.

The Bozeman Municipal Code (BMC) has adopted standards that aim to reduce negative offsite impacts of developments. While many provisions other than what is discussed below will apply to future development, a few have been pulled out for discussion purposes.

21318, Staff Report for the Mountains Walking Growth Policy Amendment (GPA).

The zone edge transitions previously mentioned in Criterion 3 above aim to reduce the impacts of adjacent zoning districts of differing intensities and allowable form and intensity standards. As mentioned, if the land use designation is recommended, the applicant is requesting a B-2M zoning district. The allowable height for B-2M is 60 feet or 5 stories, whichever is less. The allowable height for R-2 is 40 feet for a pitched roof and 30 feet for a flat roof. The zone edge transitions require developments in B-2M to be setback 10' and have the building angle away equal to or greater than 45 degrees from the residential property at a height of 38'. These provisions were implemented as the Commission is aware there are locations in town where these zoning designations are adjacent to one another. In addition, as this project is located within the Neighborhood Conservation Overlay District, all future development will be required to follow the *Bozeman Guidelines for Historic Preservation & the Neighborhood Conservation Overlay District* guidelines.

Other applicable provisions include the requirement that outdoor storage areas, service areas and mechanical equipment are screened with structural and landscaping elements. Future expansion will require additional parking equal to the size and scale of the any future expansion including any proposed housing units. These rates have been adopted by the city to meet the needs of commercial and multi-household users.

It is understood that the change in land use from Urban Neighborhood to Community Commercial Mixed Use will provide the owner or any future owner of the property the ability to develop at an increased intensity than the existing land use designation and neighbors to the south. However the Commission has adopted codes and standards that aim to ensure future development throughout the city is done thoughtfully and in harmony with the existing neighborhoods and character of the city.

As previously mentioned, the analysis may identify some negative elements within the criteria, however must find the overall balance to be a positive outcome in order to approve. The analysis of the proposal did reveal some potential negative impacts that must be discussed, however on the whole the final balance has been found to be a positive outcome.

21318, Staff Report for the Mountains Walking Growth Policy Amendment (GPA).

APPENDIX A - PROJECT SITE ZONING AND GROWTH POLICY

Zoning Designation and Land Uses:

The property currently has the land use designation of Urban Neighborhood and the applicant is requesting Community Commercial Mixed Use. The property is zoned R-2 (Residential Moderate Density District). The applicant has concurrently applied for a Zone Map Amendment (ZMA) requesting B-2M (Community Business District – Mixed). The ZMA application was reviewed by the Zoning Commission at a public hearing on October 25, 2021. The Zoning Commission public hearing is viewable here. https://bozeman.granicus.com/player/clip/170?view_id=1&redirect=true The GPA and ZMA applications are anticipated to be reviewed by the City Commission at a public hearing on November 23, 2021.

The property has historically been used for residential purposes and is currently developed with a single household unit.

Adopted Growth Policy Designations:

The following designations are applicable to this application.

Existing – Urban Neighborhood. This category primarily includes urban density homes in a variety of types, shapes, sizes, and intensities. Large areas of any single type of housing are discouraged. In limited instances, an area may develop at a lower gross density due to site constraints and/or natural features such as floodplains or steep slopes. Complementary uses such as parks, home-based occupations, fire stations, churches, schools, and some neighborhood-serving commerce provide activity centers for community gathering and services. The Urban Neighborhood designation indicates that development is expected to occur within municipal boundaries. This may require annexation prior to development.

Applying a zoning district to specific parcel sets the required and allowed density. Higher density residential areas are encouraged to be, but are not required or restricted to, proximity to commercial mixed use areas to facilitate the provision of services and employment opportunities without requiring the use of a car.

Proposed – Community Commercial Mixed Use. The Community Commercial Mixed Use category promotes commercial areas necessary for economic health and vibrancy. This includes professional and personal services, retail, education, health services, offices, public administration, and tourism establishments. Density is expected to be higher than it is currently in most commercial areas in Bozeman and should include multi-story buildings. Residences on upper floors, in appropriate circumstances, are encouraged. The urban character expected in this designation includes urban streetscapes, plazas, outdoor seating,

21318, Staff Report for the Mountains Walking Growth Policy Amendment (GPA).

public art, and hardscaped open space and park amenities. High density residential areas are expected in close proximity.

Developments in this land use area should be located on one or two quadrants of intersections of the arterial and/or collector streets and integrated with transit and non-automotive routes. Due to past development patterns, there are also areas along major streets where this category is organized as a corridor rather than a center. Although a broad range of uses may be appropriate in both types of locations, the size and scale is to be smaller within the local service areas. Building and site designs made to support easy reuse of the building and site over time is important. Mixed use areas should be developed in an integrated, pedestrian friendly manner and should not be overly dominated by any single use. Higher intensity uses are encouraged in the core of the area or adjacent to significant streets and intersections. Building height or other methods of transition may be required for compatibility with adjacent development.

Smaller neighborhood scale areas are intended to provide local service to an area of approximately one half-mile radius as well as passerby. These smaller centers support and help give identity to neighborhoods by providing a visible and distinct focal point as well as employment and services. Densities of nearby homes needed to support this scale are an average of 14 to 22 dwellings per net acre.

21318, Staff Report for the Mountains Walking Growth Policy Amendment (GPA).

Zoning Correlation With Land Use Categories

CORRELATION WITH ZONING

The zoning districts which implement each future land use category are shown in relation to each future land use category in chart below. For zoning district intent, see [38.300](#). For permitted uses, see [38.310](#).

Urban Residential

R-S, R-1, R-2, R-3, R-4, R-5, R-O, REMU

RMH, B-1, PLI



Residential Mixed Use

R-3, R-4, R-5, R-O, REMU, B-1, PLI



Community Commercial Mixed Use

R-O, REMU, B-1, B-2, B-2M, UMU, NEHMU

PLI



Traditional Core

B-2M, B-3, PLI



Regional Commercial & Services

B-2, B-2M, UMU, PLI



Maker Space Mixed Use

BP, M-1, NEHMU, PLI



Industrial

M-1, M-2, BP, PLI



Parks & Open Lands

PLI



Public Institutions

PLI



LEGEND

-  Low Density Housing
-  Moderate Density Housing
-  Medium Density Housing
-  High Density Housing & Mixed Use
-  Neighborhood & Community Commercial & Business
-  Office
-  Downtown Business & Mixed Use
-  Large Commercial & Business
-  Maker Space
-  Manufacturing & Artisan
-  Public Lands, Parks, & Open Space
-  Educational Facilities
-  Civic Buildings & Institutions

21318, Staff Report for the Mountains Walking Growth Policy Amendment (GPA).**APPENDIX B - DETAILED PROJECT DESCRIPTION AND BACKGROUND****Project Description**

Gustav Dose (landowner), 414 N. Plum Ave, Bozeman, MT, 59715, and Allied Engineering Services, Inc. (applicant), 32 Discovery Drive, Bozeman, MT, submitted a growth policy amendment requesting to amend the Community Plan (Growth Policy) future land use designation from Urban Neighborhood to Community Commercial Mixed Use on approximately 0.244 acres developed with a single household structure. The site is addressed as 414 N Plum Ave, Bozeman, MT 59715.

The GPA application elaborates on the project as follows:

“The subject property is located at 414 North Plum Avenue. The site is located south and directly adjacent to the existing Mountains Walking Brewery site. The project site is anticipated to be used for expansion of brewery operations and for use as employee housing. The lot of interest is currently zoned as R-2 (submitting ZMA proposing change to B-2M) and has an existing single-family residence on the property. The community plan future land use for the lot is currently designated as Urban Neighborhood. As part of this submittal we are proposing a map change to amend the future land use to Community Commercial Mixed Use. The proposed future land use will match the adjacent areas to the north and east along with the associated and adjacent brewery site. The future improvements anticipate construction of a new building on the lot to expand the brewery space and create employee housing on the second floor of the new building. Additional parking is anticipated to be provided on the subject property for overflow brewery parking. Applications are being made for the Zone Map Amendment and Growth Policy Amendment to be reviewed concurrently.”

The applicant has indicated the future anticipated development of the site in the application, however that is not being reviewed today. Any subsequent development submittals will be provided with future applications that will be submitted to the city for review against the Bozeman Municipal Code and other adopted standards. Approval of the requested growth policy amendment is not dependent on, nor does it guarantee completion of the project as described above.

21318, Staff Report for the Mountains Walking Growth Policy Amendment (GPA).**APPENDIX C – NOTICING AND PUBLIC COMMENT**

Notice was sent via US first class mail to the owners of the subject property and all owners of property located within 200 feet of the perimeter of the site. The project site was posted with a copy of the notice in one location: along N Plum Ave. The notice was published in the Legal Ads section of the *Bozeman Daily Chronicle* on October 10, 24 and November 14, 2021. The Planning Board public hearing was held on November 01, 2021.

There have been numerous public comments received regarding this project both in favor and against. Written comments are available at the below link. Many commenters have merged comments on this growth policy amendment with the zone map amendment application Mountains Walking 21319 which follows this growth policy amendment, thus the public comments have been combined into one folder to ensure all comments are entered into the record.

<https://weblink.bozeman.net/WebLink/Browse.aspx?id=256275&dbid=0&repo=BOZEMAN>

Major themes of the public comment have been:

1. Concern regarding the character of the neighborhood and adjacency of further commercial development adjacent to existing residential properties that does not blend with the existing residential. In particular this incompatibility concern is regarding future development of the subject parcel and the added commercial activities that would come with that.
2. Concern regarding increase in commercial activity including, but not limited to, noise, patron and industrial traffic, material nuisances, deliveries, etc.
3. Concern of reduced market value of adjacent residential properties.
4. Support of change as it adds potential employment opportunities at a living wage.
5. Support of change as it add potential for employee housing.
6. Support of change as it adds walkable destinations for residents (also noted it supports community events and artists).

21318, Staff Report for the Mountains Walking Growth Policy Amendment (GPA).

APPENDIX D - OWNER INFORMATION AND REVIEWING STAFF

Owner: Gustav Dose, 414 N Plum Ave, Bozeman, MT 59715

Applicant: Allied Engineering Services, Inc. 32 Discovery Drive, Bozeman, MT 59718

Representative: Allied Engineering Services, Inc. 32 Discovery Drive, Bozeman, MT 59718

Report By: Lynn Hyde, Development Review Planner

FISCAL EFFECTS

No unusual fiscal effects have been identified. No presently budgeted funds will be changed by this growth policy amendment.

ATTACHMENTS

The full application and file of record can be viewed at the Community Development Department at 20 E. Olive Street, Bozeman, MT 59715 and electronically via link below.

Application materials

<https://weblink.bozeman.net/WebLink/Browse.aspx?id=239935&dbid=0&repo=BOZEMAN>



RESOLUTION 5343

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF BOZEMAN, MONTANA, STATING THE INTENT OF THE COMMISSION TO CONSIDER AN AMENDMENT TO THE FUTURE LAND USE MAP OF THE BOZEMAN COMMUNITY PLAN.

WHEREAS, the City of Bozeman has had a comprehensive plan (growth policy) since 1958, and

WHEREAS, the City of Bozeman adopted its most current growth policy known as the Bozeman Community Plan (BCP) through Resolution 5133 on November 17, 2020, and

WHEREAS, the Bozeman Community Plan, Section 5, establishes criteria for the amending of the document, and

WHEREAS, an application has been received to amend the Future Land Use Map of the growth policy, and

WHEREAS, in accordance with 76-1-602, MCA, the City Commission must adopt a resolution of intent and conduct a public hearing prior to taking any action to adopt or revise a growth policy,

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Bozeman, Montana, to wit:

Section 1

In accordance with the requirements of Section 76-1-604 MCA, the intent to consider the application for amendment and possible corresponding revisions to the growth policy is hereby stated.

Section 2

That a public hearing be set and advertised for the purpose of receiving public testimony on application 21318, Mountains Walking growth policy amendment to the Future Land Use Map of the Bozeman Community Plan. Expected dates are with the Planning Board hearing on

November 01, 2021 and the City Commission hearing on November 23, 2021.

PASSED, ADOPTED, AND APPROVED by the City Commission of the City of Bozeman, Montana, at a regular session thereof held on the ____ day of _____, 20____.

CYNTHIA L. ANDRUS

Mayor

ATTEST:

MIKE MAAS

City Clerk

APPROVED AS TO FORM:

GREG SULLIVAN

City Attorney

DEVELOPMENT REVIEW APPLICATION

PROJECT IMAGE



PROJECT INFORMATION

Project Name: Mountains Walking Growth Policy Amendment

Project Type(s): Growth Policy Amendment

Street Address: 414 N Plum Ave, Bozeman, MT 59715

Legal Description: Northern Pacific ADD, S07, T02 S, R06E, Block 50, Lot 18-20, Plat C-23

Description of Project: Proposed growth policy (map) amendment for the lot just south of the current Mountains Walking Brewery to be changed from Urban Neighborhood to Community Commercial Mixed Use.

Current Zoning: R-2 (submitting ZMA concurrently to propose zoning change to B-2M)

Gross Lot Area: 0.244 acres

Block Frontage(s): N/A

Number of Buildings: 1 existing

Type and Number of Dwellings: Existing Single-family Residence (1)

Building Size(s): 1196 square feet total, 768 square feet of living area (from Cadastral)

Building Height(s): 1 story

Number of Parking Spaces: N/A

Affordable Housing (Y/N): N/A

Cash-in-lieu Parkland (Y/N): N/A

Departure/Deviation Request (Y/N): N/A

VICINITY MAP



SPECIAL DISTRICTS

Overlay District: ☒ Neighborhood Conservation ☐ None

Urban Renewal District: ☐ Downtown ☐ North 7th Avenue ☐ Northeast ☐ North Park ☒ None

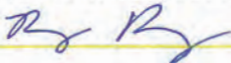
PROPERTY OWNERName: Gustav DoseFull Address: 414 N Plum Ave, Bozeman, MT 59715Email: Not listedPhone: Not listed**APPLICANT**Name: Allied Engineering Services, Inc. (Rory Romey or Jessi Ellingsen)Full Address: 32 Discovery Drive, Bozeman, MT 59718Email: rromey@alliedengineering.com, jellingsen@alliedengineering.comPhone: (406) 582-0221**REPRESENTATIVE**Name: N/AFull Address: N/AEmail: N/APhone: N/A**CERTIFICATIONS AND SIGNATURES**

This application must be signed by both the applicant(s) and the property owner(s) (if different) for all application types before the submittal will be accepted. The only exception to this is an informal review application that may be signed by the applicant(s) only.

As indicated by the signature(s) below, the applicant(s) and property owner(s) submit this application for review under the terms and provisions of the Bozeman Municipal Code. It is further indicated that any work undertaken to complete a development approved by the City of Bozeman shall be in conformance with the requirements of the Bozeman Municipal Code and any special conditions established by the approval authority. I acknowledge that the City has an Impact Fee Program and impact fees may be assessed for my project. Further, I agree to grant City personnel and other review agency representative's access to the subject site during the course of the review process (Section 38.200.050, BMC). I (We) hereby certify that the above information is true and correct to the best of my (our) knowledge.

Certification of Completion and Compliance – I understand that conditions of approval may be applied to the application and that I will comply with any conditions of approval or make necessary corrections to the application materials in order to comply with municipal code provisions.

Statement of Intent to Construct According to the Final Plan – I acknowledge that construction not in compliance with the approved final plan may result in delays of occupancy or costs to correct noncompliance.

Applicant Signature: Printed Name: Rory RomeyOwner Signature: Printed Name: Gustav Dose

Representative Signature: _____

Printed Name: N/A

APPLICATION TYPE

Check all that apply

	FORM		FORM
☐ 1. Administrative Interpretation Appeal	AIA	☐ 16. PUD Preliminary Plan	PUDP
☐ 2. Administrative Project Decision Appeal	APA	☐ 17. PUD Final Plan	PUDFP
☐ 3. Annexation and Initial Zoning	ANNX	☐ 18. Reasonable Accommodation	RA
☐ 4. Commercial/Nonresidential COA	CCOA	☐ 19. Site Plan	SP
☐ 5. Comprehensive Sign Plan	CSP	☐ 20. Special Use Permit	SUP
☐ 6. Condominium Review	CR	☐ 21. Special Temporary Use Permit	STUP
☐ 7. Conditional Use Permit	CUP	☐ 22. Subdivision Exemption	SE
☐ 8. Extension to Approved Plan	EXT	☐ 23. Subdivision Pre-Application	PA
☒ 9. Growth Policy Amendment	GPA	☐ 24. Subdivision Preliminary Plan	PP
☐ 10. Informal Review	INF	☐ 25. Subdivision Final Plat	FP
☐ 11. Master Site Plan	MSP	☐ 26. Wetland Review	WR
☐ 12. Modification/Plan Amendment	MOD	☐ 27. Zone Map Amendment	ZMA
☐ 13. Neighborhood/Residential COA	NCOA	☐ 28. Zone Text Amendment	ZTA
☐ 14. Pre-application Consultation	None	☐ 29. Zoning/Subdivision Variance	Z/SVAR
☐ 15. PUD Concept Plan	PUDC	☐ 30. Zoning Deviation/Departure	None
		☐ 31. Other: _____	

REQUIRED FORMS

Varies by project type

APPLICATION FEE

Varies by project type

CONTACT US

Alfred M. Stiff Professional Building
20 East Olive Street
Bozeman, MT 59715

phone 406-582-2260
fax 406-582-2263
planning@bozeman.net
www.bozeman.net/planning



August 3, 2021

Bill Pratt
Community Development Technician I
20 East Olive
Bozeman, MT 59715
Phone: 406-582-2260

**RE: Growth Policy Map Amendment
Initial Application Submittal**

Dear COB Planning Department:

Please find enclosed the application package for a proposed Growth Policy Map Amendment. The subject property is defined as Lots 18, 19, and 20, Block 50 of the Northern Pacific Addition Plat C-23. The property is located along the east side of Plum Avenue directly south of and adjacent to the existing Mountains Walking Brewery. The future land use of the lot is currently designated as Urban Neighborhood. The proposed growth policy amendment is to amend the subject property future land use designation to Community Commercial Mixed Use. This growth policy amendment is being submitted for review concurrently with a zone map amendment.

The growth policy amendment is the first step to allow for expansion of operations associated with Mountains Walking Brewery. The anticipated improvements on the subject property will include a new structure with brewing operations on the main/ground level and living units on an upper level(s). The living units are anticipated to be allocated for employees of the brewery. Parking is anticipated on-site for the proposed improvements and for overflow parking for the existing brewery site.

The attached application package includes the completed and signed development review application (Form A1), the completed and signed property adjoiners certificate (Form N1) including a list of adjoining property owners, a project narrative, and a PDF exhibit of the property to be modified.

Sincerely,

Allied Engineering Services, Inc.


Digitally signed by Rory Romey
Date: 2021.08.03 09:50:19 -06'00'
Rory Romey
Civil Engineer


X
Jessi Ellingsen
Civil Engineer

enc: -Application Package for Growth Policy Map Amendment

P:\2020\20-144 Mountain Walking - Zone Map Amendment\04 Permitting & Entitlements\Growth Policy Application\Word Doc & Fillable PDF
Versions\Cover Letter.docx

Growth Policy Amendment Project Narrative

Project Background Information

The subject property is located at 414 North Plum Avenue. The site is located south and directly adjacent to the existing Mountains Walking Brewery site. The project site is anticipated to be used for expansion of brewery operations and for use as employee housing. The lot of interest is currently zoned as R-2 (submitting ZMA proposing change to B-2M) and has an existing single-family residence on the property. The community plan future land use for the lot is currently designated as Urban Neighborhood. As part of this submittal we are proposing a map change to amend the future land use to Community Commercial Mixed Use. The proposed future land use will match the adjacent areas to the north and east along with the associated and adjacent brewery site. The future improvements anticipate construction of a new building on the lot to expand the brewery space and create employee housing on the second floor of the new building. Additional parking is anticipated to be provided on the subject property for overflow brewery parking. Applications are being made for the Zone Map Amendment and Growth Policy Amendment to be reviewed concurrently.

- a) Does the proposed amendment cure a deficiency in the growth policy or result in an improved growth policy which better responds to the needs of the general community? How?

Yes, the proposed amendment results in an improved growth policy which better responds to the needs of the general community. Changing the future land use designation for the lot to Community Commercial Mixed Use will better meet the needs of the general community by allowing for expansion of the current Mountains Walking Brewery. Expansion of the brewery will provide an easily accessible gathering place for the community to come together, enjoy craft beer, and make good conversation. The expansion will also provide employee housing on the upper floor which is an excellent way to meet the needs of employees who struggle to find affordable housing in Bozeman. In addition, the new future land use designation promotes redevelopment by converting the existing residential property into a multi-use lot. Multi-use properties help promote diverse uses of land in very close proximity to one another which ultimately reduces traffic congestion on the roads and the air pollution associated with motor travel. Redevelopment, as opposed to new development, saves time, money, and resources by connecting to existing utilities. In this case, adequate water, drainage, transportation, and sanitary facilities will be provided via existing utilities located in Plum Avenue.

- b) Does the proposed amendment create inconsistencies within the growth policy, either between the goals and the map or between goals? Why not?

No, the proposed amendment does not create inconsistencies within the growth policy either between the goals and the map or between goals. The proposed future land use of

the site matches future land use of adjacent properties to the north and east. The change does not result in a pocket of inconsistent land use, rather blends well with the current plan. The City of Bozeman has announced its planning goals for how the city should expand in the future. These goals consist of seven overall themes that include being:

1. A resilient city.
2. A city of unique neighborhoods.
3. A city bolstered by downtown and complementary districts.
4. A city influenced by our natural environment, parks, and open lands.
5. A city that prioritizes accessibility and mobility choices.
6. A city powered by its creative, innovative, and entrepreneurial economy.
7. A city engaged in regional coordination.

The proposed expansion of Mountains Walking Brewery and the proposed growth policy amendment do not go against any of the seven themes and/or the goals to achieve those themes. Conversely, the proposed development actually supports many of the themes. Two of the main goals for the City of Bozeman include promoting diversity in land use/housing and reducing urban sprawl. Both goals aim to use land in the most efficient way possible, which ultimately helps preserve open space and reduces the need for individual motorized travel. The proposed expansion would help the City of Bozeman meet these goals by redeveloping the lot into a mixed-use building that includes both brewery operations and employee housing. Redevelopment, as opposed to new development on the outskirts of town, saves time, money, and resources while simultaneously reducing urban sprawl. The reduction in urban sprawl in turn helps preserve the natural environment that Bozeman is known and loved for. Regarding the goal of prioritizing accessibility and mobility choices, the proposed development is easily accessed via several different transportation methods. Its proximity to residential neighborhoods makes it easily accessible by walking or biking while arterial and collector streets such as Rouse Ave, Peach St, and Broadway Ave make it easily accessible by car. The streamline bus service also has a major hub in downtown which is just a short walk away. Additionally, the on-site employee housing reduces/eliminates commuting for employees. The proposed development aims to be resilient and resourceful by connecting to existing utilities. Lastly, the expansion of Mountains Walking caters to Bozeman's tourism industry which is a major economic driver here.

c) Is the proposed amendment consistent with the overall intent of the growth policy? How?

Yes, the proposed amendment is consistent with the overall intent of the growth policy. Proximity to adjacent areas matching the proposed future land use help to blend the site into surrounding uses. The project site is located along the future land use boundary, maintaining the overall concept of the area. The proposed development aims to better serve the community by providing a social gathering place, jobs, and employee housing. Bringing people together will help improve the mental health and happiness among community members, while providing employment and housing helps employees feel

safe, secure, and stable. Changing the future land use designation to Community Commercial Mixed Use allows for greater land use/housing diversity and encourages the most efficient use of space. Creating diverse land uses within close proximity to one another reduces the need for people to travel far from home for work, groceries, and recreation. Additionally, the proposed development is very close to dense residential neighborhoods which will encourage patrons to walk or bike. The decrease in travel lessens air pollution, which is known to have significant adverse effects on public health and welfare. Furthermore, the proposed amendment will allow for the redevelopment of the lot, which is encouraged by the City of Bozeman to help limit urban sprawl and preserve open space. The work/live nature of the proposed development increases Bozeman's resilience by providing solutions to both housing and employment issues. It also promotes resilience by harmonizing with existing activity through expanding a business that is already well established and thoroughly enjoyed by the community. The expansion would be easily accessible and provide several options for mobility. As mentioned before, the proposed expansion is in very close proximity to residential neighborhoods which makes it easily accessible on foot or bike. Arterial and collector streets such as Rouse Ave, Peach St, and Broadway Ave provide easy access to the site via automobile. Additionally, a major streamline bus service hub and the Gallagator Trail are only a short walk away towards downtown. Lastly, the proposed development will help support Bozeman's economy by attracting locals and tourists. Overall, the proposed amendment aligns very nicely with the intent of the growth policy.

d) Does the proposed amendment adversely affect the community as a whole or significant portion by:

- i) Significantly altering acceptable existing and future land use patterns, as defined in the text and maps of the plan? How does it not?

No, the proposed amendment does not significantly alter acceptable existing and future land use patterns. The proposed amendment seeks to change the future land use designation for the lot from Urban Neighborhood to Community Commercial Mixed Use. This is a relatively minor change to the future land use patterns because the area adjacent to the site (the area where the current brewery is) is already designated as Community Commercial Mixed Use. Changing the future land use designation to Community Commercial Mixed Use will keep land use designations consistent for both the existing brewery and the proposed expansion. The site is located along the current boundary of future land use. Under the proposed change, the overall boundary is shifted in a relatively minor way. The overall pattern for the area will be maintained, if anything squaring up the future land use boundary as shown with the attached exhibits.

- ii) Requiring unmitigated larger and more expensive improvements to streets, water, sewer, or other public facilities or services and which, therefore, may impact development of other lands? How does it not?

No, the proposed amendment does not require unmitigated larger and more expensive improvements to streets, water, sewer, or other public facilities and services. Adequate water will be provided by the City's existing municipal system. Figure 6-7 in the Water Facility Plan details the existing water distribution system and shows that the area surrounding the proposed development has an acceptable level of head loss, indicating there is adequate capacity to provide water for the development. Adequate fire flow will also be provided by Hydrant #45. According to Table 5.7 in the Water Facility Plan, a zone designation of B-2 (concurrent ZMA proposing zoning change to B-2M) needs 3,000 gpm of flow for 3 hours to fulfill fire protection requirements. According to Figure 6-8 of the Water Facility Plan, the available fire flow for the proposed development area is 4,000-5,000 gpm, which confirms that suitable fire flow for fire protection is met. Adequate sewer will also be provided by the City's existing municipal system. According to the City's design criteria, sewer pipes that have a depth of flow to pipe diameter (d/D) ratio exceeding 0.75 are considered potentially deficient. Figure 4-8 of the Wastewater Collection Facilities Plan Update (2015) shows that the sewer pipes servicing the proposed development and surrounding area all have a depth of flow to pipe diameter (d/D) ratio less than 0.75, indicating that there is adequate wastewater capacity for proper sewage disposal. Transportation access will remain primarily unchanged. Access is anticipated to be provided via principal arterial Rouse Ave and collector streets Peach St and Broadway Ave, but can also be accessed by other local streets such as Plum Ave or on foot/bike. The proposed future land use is not anticipated to have a significant change or additional burden to public facilities. The anticipated site improvements are consistent with other uses in the area.

- iii) Adversely impacting existing uses because of unmitigated greater than anticipated impacts on facilities and services? How does it not?

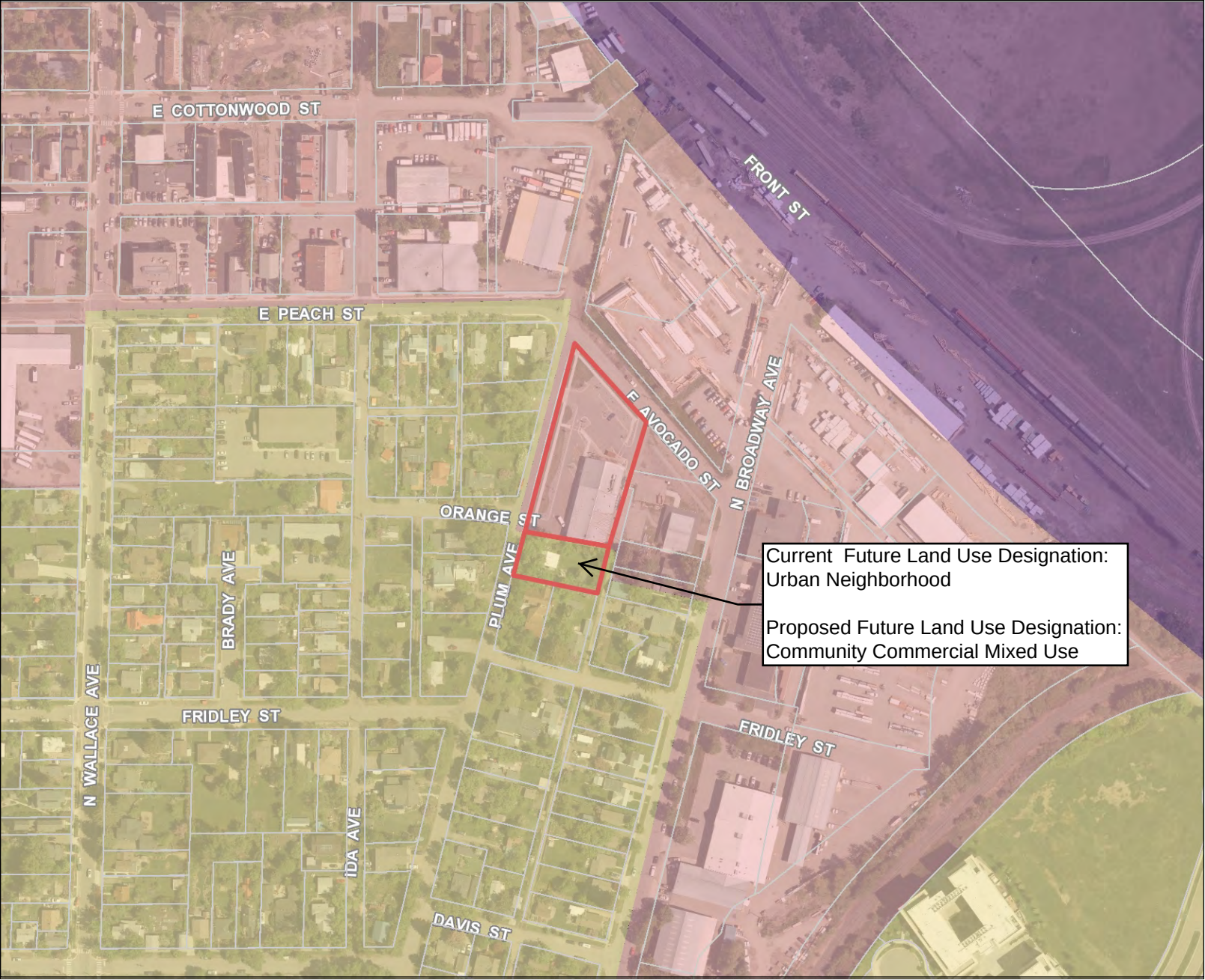
No, the proposed amendment will not adversely impact existing uses because of unmitigated greater than anticipated impacts on facilities and services. Figure 6-7 in the Water Facility Plan shows that the area surrounding the proposed development has an acceptable level of headloss, which indicates there is adequate capacity to provide water for the proposed development without negatively affecting existing uses. Table 5.7 in the Water Facility Plan shows that the proposed development (proposed B-2M zoning) requires 3,000 gpm of flow for 3 hours to suffice fire protection requirements. Figure 6-8 of the Water Facility Plan shows that the available fire flow for the proposed development area is 4,000-5,000 gpm, confirming that there is adequate fire flow available with 1,000 gpm to spare. The City's design criteria specify that sewer pipes that have a depth of flow to pipe diameter ratio (d/D) exceeding 0.75 are considered potentially deficient. Figure 4-8 of the Wastewater Collection Facilities Plan

Update (2015) shows that the sewer pipes servicing the proposed development and surrounding area all have a depth of flow to pipe diameter (d/D) ratio less than 0.75, indicating that there is adequate wastewater capacity for proper sewage disposal. Some of the sewer pipes servicing the proposed development have an even lower depth of flow to pipe diameter ratio of 0.5 which indicates there is some extra capacity available. To summarize, the facilities and services for existing uses will not be adversely impacted by the brewery expansion.

- iv) Negatively affecting the livability of the area or the health and safety of residents? How does it not?

No, the proposed amendment does not negatively affect the livability of the area or the health and safety of residents. The proposed development aims to improve the livability of the area by providing a social gathering place, on-site employee housing, and creating jobs. There will still be adequate water, sewer, and street capacity for the area. Sewage and garbage will be properly disposed of to ensure there are no health hazards resulting from the proposed development. Additional parking will be provided for the brewery so that street parking is not overwhelmed. Emergency access will be maintained via Rouse Ave, Peach St, Broadway Ave, and other local streets. Lastly, the proposed development will not overload fire flow capacity. In conclusion, the proposed expansion of Mountains Walking will not negatively affect the livability of the area or the health and safety of residents. The proposed/anticipated improvements for the site will promote and provide employee housing for the associated Mountains Walking Brewery. The proposed use allows for safe and cost-effective housing, an overall benefit for employees.

Supporting Figures
for
Project Narrative



Legend

Street Names

Community Plan Future Land Use

- Urban Neighborhood
- Traditional Core
- Residential Mixed Use
- Regional Commercial and Services
- Community Commercial Mixed Use
- Maker Space Mixed Use
- Industrial
- Public Institutions
- Parks and Open Lands
- No City Services

City Limits



Created By:

Created For:

Date: 05/24/2021



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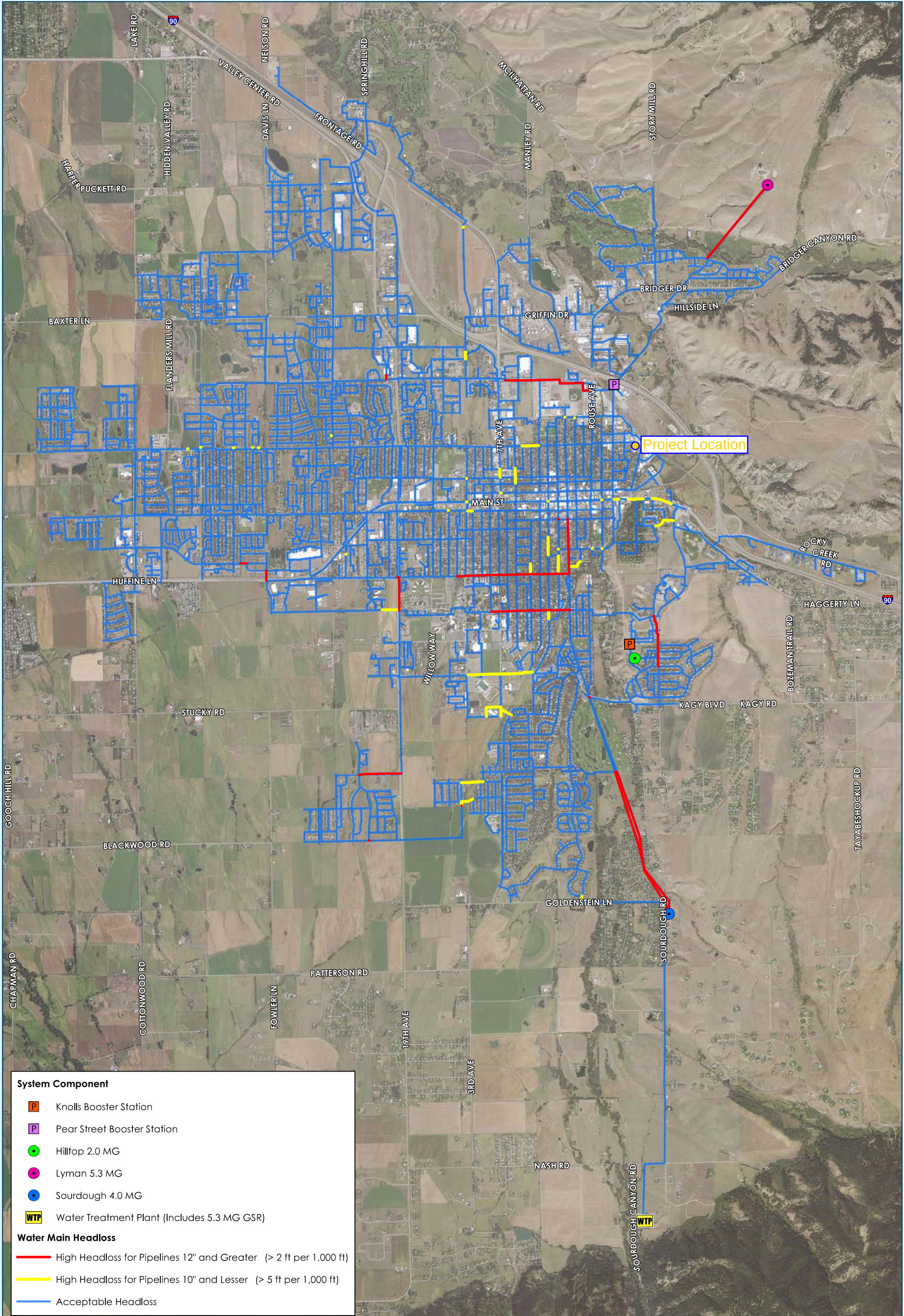
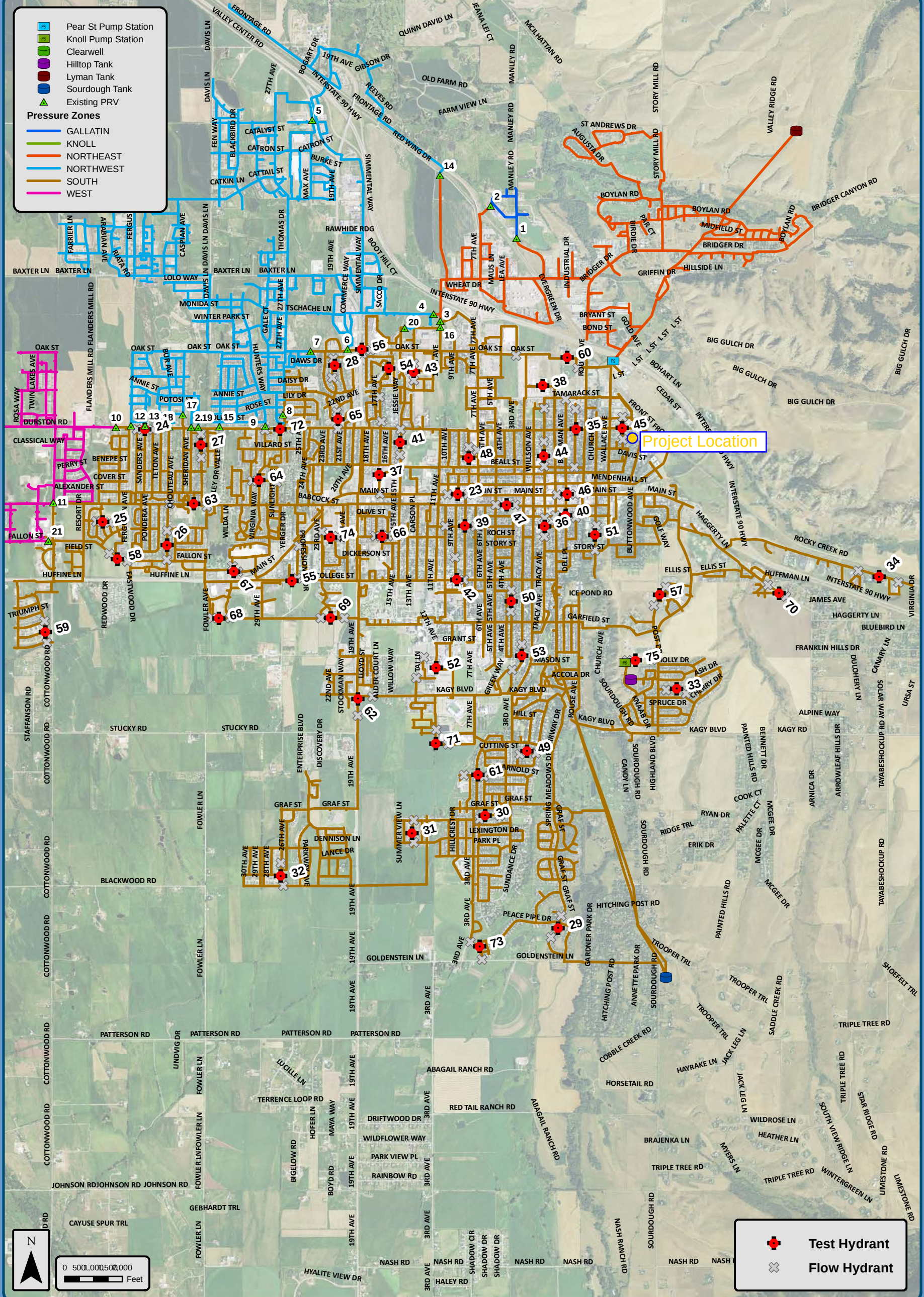


Figure 6-7: Existing Water Distribution System
Maximum Headloss during Maximum Day Demand (11.7 MGD)
City of Bozeman Water Facility Plan Update





Water Distribution System

Fire Flow Test Locations
Within the South Pressure Zone



Advanced Engineering and
Environmental Services, Inc.

Zoning District	Category	Flow (gpm)	Duration (hrs)	No. of Fires	Total Demand (gal)
Residential Use					
R-4	Residential High Density	3,000	3	1	540,000
R-3	Residential Medium Density	3,000	3	1	540,000
R-2	Residential, Single-family Medium Density	1,500	2	1	180,000
R-1	Residential, Single-family Low Density	1,500	2	1	120,000
PU	Public Lands and Institutions	3,000	3	1	540,000
Commercial Use					
B-1	Neighborhood Business	3,000	3	1	540,000
B-2	Community Business	3,000	3	1	540,000
B-3	Central Business	4,000	4	1	960,000
Industrial Use					
M-1	Light Manufacturing	4,000	4	1	960,000
M-2	Manufacturing and Industrial	5,000	4	1	1,200,000

Table 5.7: Fire Flow Availability Guidelines

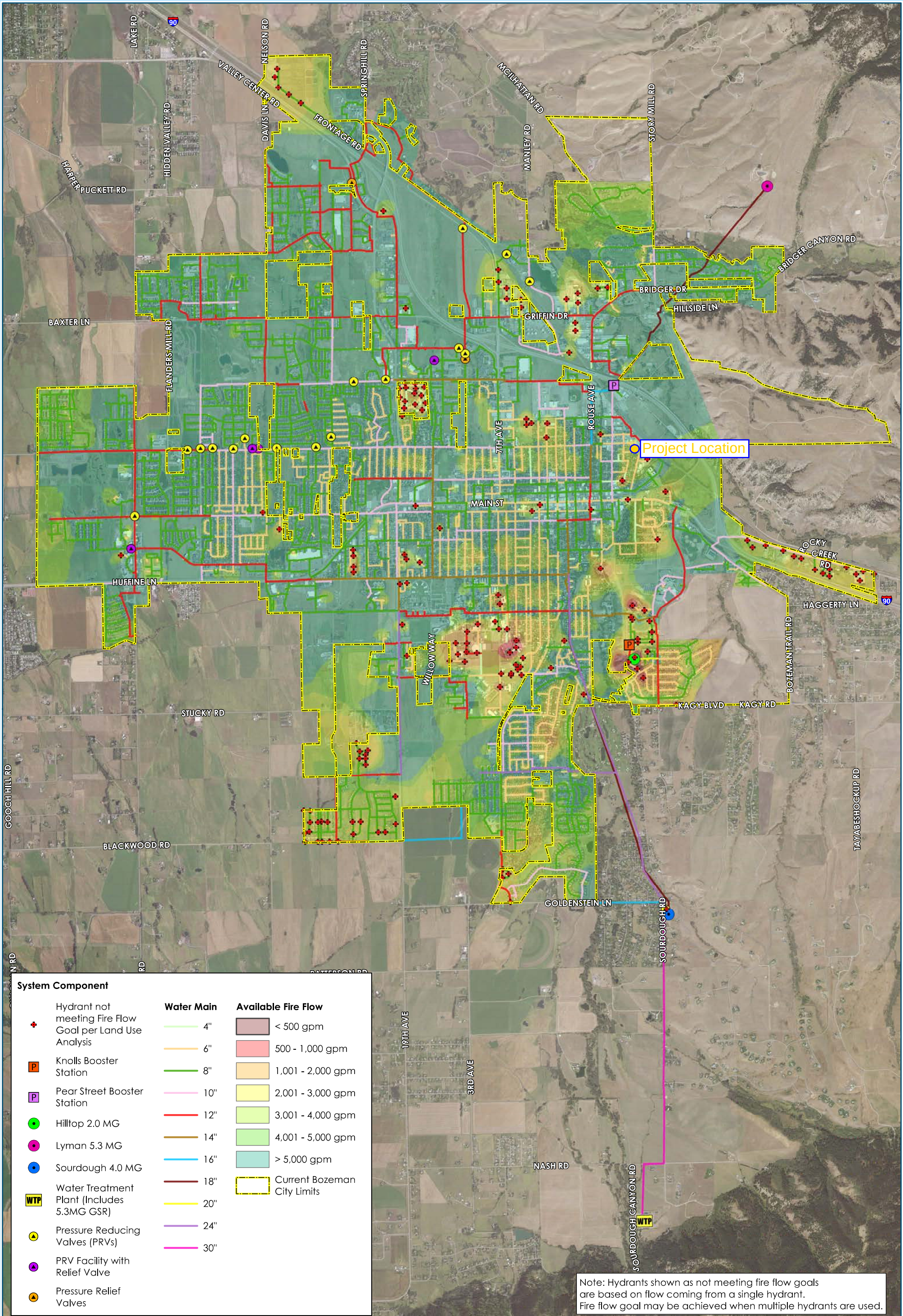


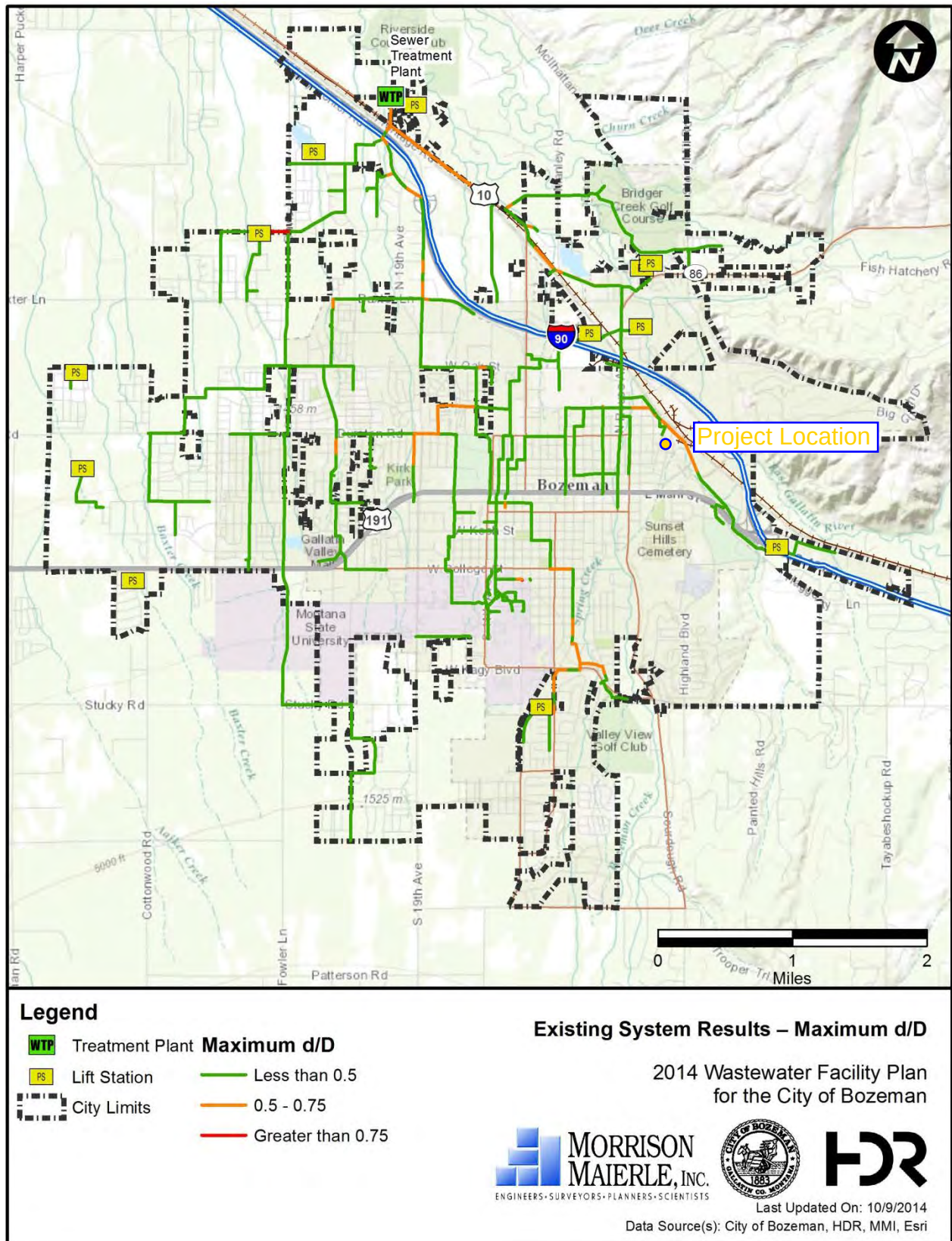
Figure 6-8: Existing Water Distribution System
Available Fire Flow during Maximum Day Demand (11.7 MGD)

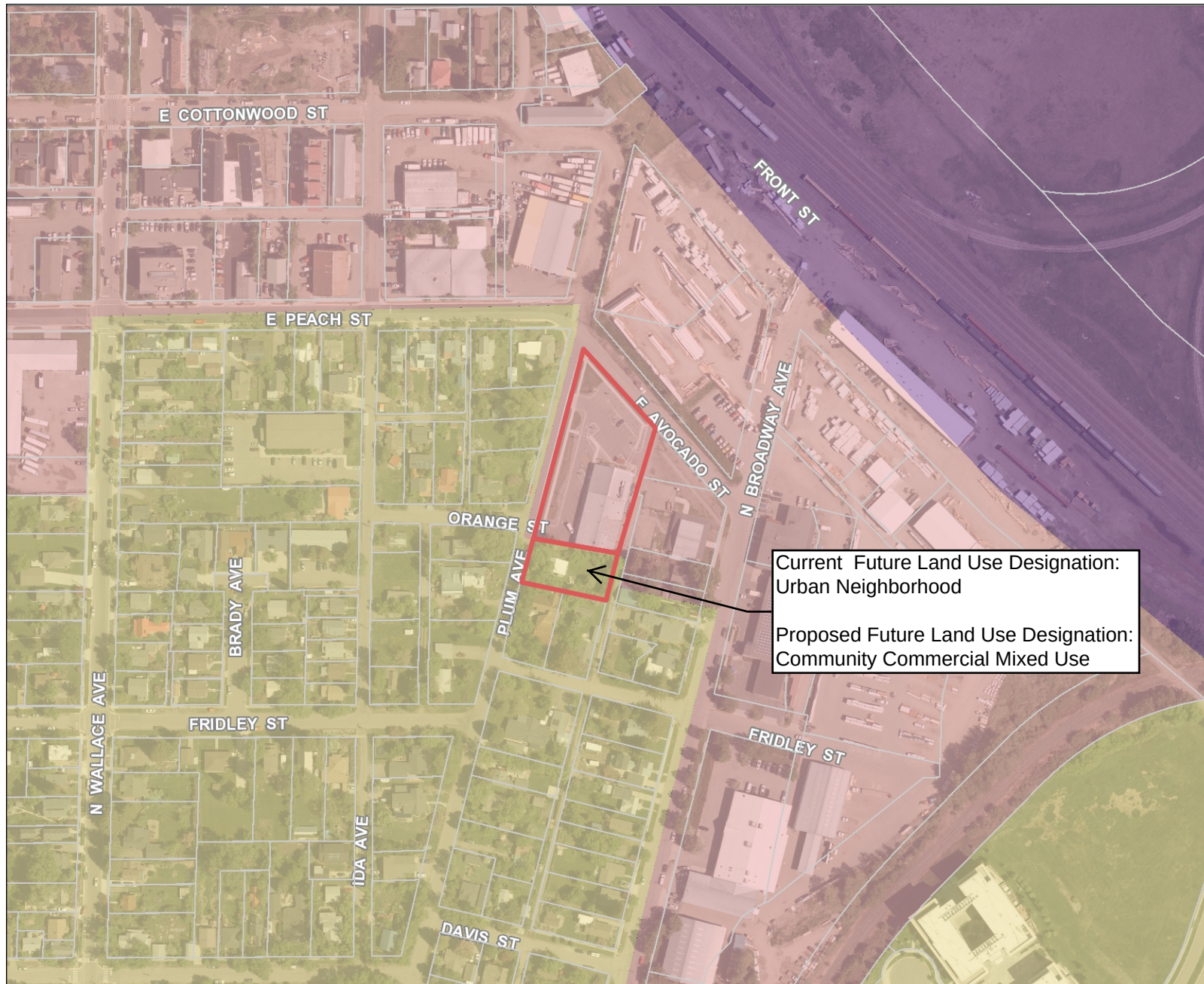
City of Bozeman Water Facility Plan Update

0 0.25 0.5 0.75 1 Miles



Figure 4-8 – Existing System Results – Maximum d/D





Current Future Land Use Designation:
Urban Neighborhood

Proposed Future Land Use Designation:
Community Commercial Mixed Use

Legend

Street Names

Community Plan Future Land Use

- Urban Neighborhood
- Traditional Core
- Residential Mixed Use
- Regional Commercial and Services
- Community Commercial Mixed Use
- Maker Space Mixed Use
- Industrial
- Public Institutions
- Parks and Open Lands
- No City Services

City Limits

Location



Created By:

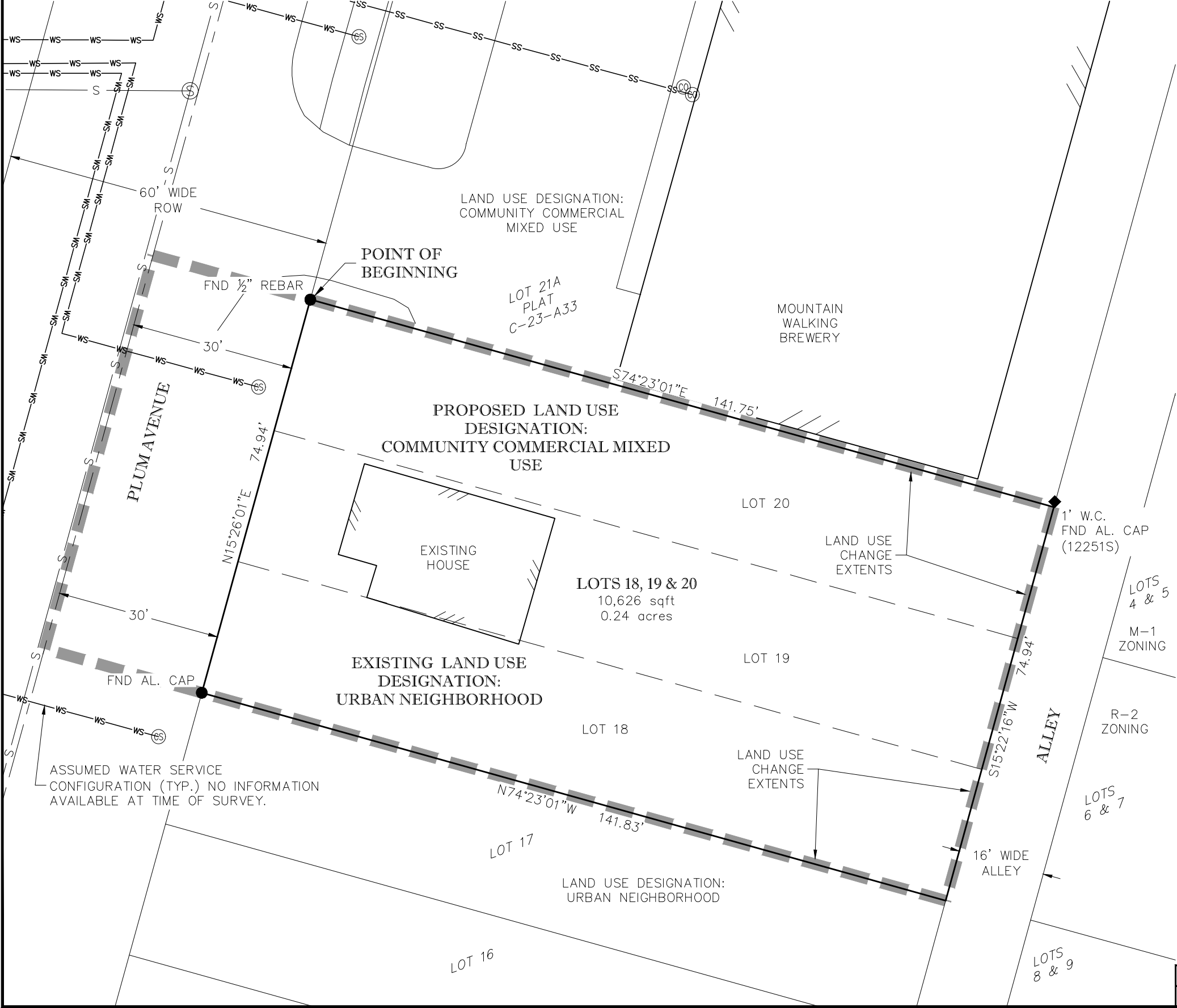
Created For:

Date: 05/24/2021



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GROWTH POLICY AMENDMENT
BEING LOTS 18, 19, AND 20, BLOCK 50 OF THE NORTHERN PACIFIC ADDITION PLAT C-23,
LOCATED IN THE NORTHEAST ONE-QUARTER OF SECTION 7,
TOWNSHIP 2 SOUTH, RANGE 6 EAST, PRINCIPAL MERIDIAN MONTANA,
CITY OF BOZEMAN, GALLATIN COUNTY, MONTANA



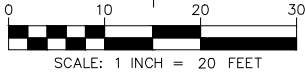
LEGAL DESCRIPTION
Lots 18, 19 and 20, Block 50 of the Northern Pacific Addition, located in the Northeast One-Quarter of Section 7, Township 2 South, Range 6 East, Principal Meridian Montana, City of Bozeman, Gallatin County, Montana and being more particularly described as follows;

Beginning at the Northwest Corner of said Lot 20, said point being on the easterly Right-of-Way of Plum Avenue;
thence South 74°23'01" East along the north line of said Lot 20, a distance of 141.75 feet to the Northeast Corner of said Lot 20;
thence South 15°22'16" West along the east line of said Lots 18, 19, and 20, a distance of 74.94 feet to the Southeast Corner of said Lot 18;
thence North 74°23'01" West along the south line of said Lot 18, a distance of 141.83 feet to the Southwest Corner of said Lot 18, said point being on the easterly Right-of-Way of Plum Avenue;
thence North 15°26'01" East along the easterly Right-of-Way of Plum Avenue, a distance of 74.94 feet to the point of beginning.

Said tract of land being 10,626 sqft/0.24 acres.

- LEGEND**
- PROPERTY LINE
 - LAND USE DESIGNATION CHANGE LINE
 - PREVIOUS LOT LINE
 - ADJOINING PROPERTY LINE
 - ROAD CENTERLINE
 - W WATER MAIN
 - WS WATER SERVICE
 - S SEWER MAIN
 - SS SEWER SERVICE
 - EDGE OF BUILDING
 - FOUND MONUMENT AS NOTED
 - FOUND WITNESS CORNER AS NOTED
 - SEWER MANHOLE
 - SEWER CLEANOUT
 - WATER CURB STOP

BASIS OF BEARING, COORDINATES
BEARINGS SHOWN ARE MONTANA STATE PLANE GRID.
DISTANCES ARE GROUND DISTANCES IN INTERNATIONAL FEET.
MONTANA COORDINATE SYSTEM NAD 83
HORIZONTAL DATUM: BOZEMAN CONTINUOUSLY OPERATING
REFERENCE STATION
PID DESIGNATION
DK7547 MTSU BOZEMAN CORS ARP
MONTANA STATE PLANE NAD 83(2011)(EPOCH: 2010.0000)
NORTH LATITUDE 45°39'40.37689"
WEST LONGITUDE 111°02'42.00898"
UNITS: INTERNATIONAL FEET
Convergence angle: -01°07'49"



32 DISCOVERY DRIVE BOZEMAN, MT 59718 PHONE (406) 562-0221 FAX (406) 562-5770 www.alliedengineering.com				Civil Engineering Geotechnical Engineering Land Surveying				PROJECT SURVEYOR: GLF	SHEET 1 of 1
1/4	Sec.	T.	R.	DRAWN BY: KWO	REVIEWED BY: GLF	PROJECT No. 20-144	DATE: 4/8/2021	\Survey\Z-BND.dwg	
7	2S	6E							

Memorandum

REPORT TO: City Commission

FROM: Lynn Hyde, Planner
Chris Saunders, Community Development Manager
Marty Matsen, Community Development Director

SUBJECT: Mountains Walking Zone Map Amendment, Application 21319

MEETING DATE: November 23, 2021

AGENDA ITEM TYPE: Community Development - Legislative

RECOMMENDATION: Having reviewed and considered the staff report, application materials, public comment, and all information presented, I hereby adopt the findings presented in the staff report for application 21319 and move to recommend approval of the Mountains Walking Zone Map Amendment, with contingencies required to complete the application processing.

STRATEGIC PLAN: 4.2 High Quality Urban Approach: Continue to support high-quality planning, ranging from building design to neighborhood layouts, while pursuing urban approaches to issues such as multimodal transportation, infill, density, connected trails and parks, and walkable neighborhoods.

BACKGROUND: An application to rezone two existing parcels from R-2 (Residential moderate density district) and M-1 (Light manufacturing district) to B-2M (Community business district) on a total of 1.12 acres. For future discussion, the parcels are described as Parcel 1 and Parcel 2. Description of the two parcels are as follows:

Parcel 1: The northern parcel (addressed 422 N Plum) has a future land use designation of Community Commercial Mixed Use. It is currently designated as M-1, light manufacturing district and has an existing brewery (Mountains Walking) located on site. The existing commercial building is approximately 6,732 square feet. This parcel is 0.873 acres.

Parcel 2: The southern parcel (addressed 414 N Plum) has a future land use designation of Urban Neighborhood. The applicant has also submitted a Growth Policy Amendment (GPA) requesting to re-designate the southern parcel as Community Commercial Mixed Use. It is currently designated as Urban Neighborhood on the Bozeman Community Plan 2020 (Community Plan) future land use map, and is zoned as R-2, residential moderate density district, and has an existing 1,196 square foot single household unit on the property. This parcel is .244 acres.

Public Comment

There have been numerous public comments received regarding this project both in favor and against. Written comments are available at the below link. Many commenters have merged comments on the growth policy amendment, Mountains Walking 21318 with the zone map amendment, Mountains Walking 21319, thus the public comments have been combined into one folder to ensure all comments are entered into the record.
<https://weblink.bozeman.net/WebLink/Browse.aspx?id=256275&dbid=0&repo=BOZEMAN>

Zoning Commission

The Zoning Commission held a public hearing on this ZMA on October 25, 2021. The motion to recommend approval of the amendment to the zoning district for the two parcels failed, 1-4. The public hearing can be viewed here, https://bozeman.granicus.com/player/clip/170?view_id=1&redirect=true.

UNRESOLVED ISSUES: None identified at this time.

ALTERNATIVES:

1. Deny the application based on the Commission's findings of non-compliance with the applicable criteria contained within the staff report; or
2. Open and continue the public hearing on the application, with specific direction to staff or the applicant to supply additional information or to address specific items.

FISCAL EFFECTS: No fiscal effects have been identified. No presently budgeted funds will be changed by this Zone Map Amendment.

Attachments:

[21319 Mountains Walking ZMA SR_CityCommission.pdf](#)
[ZMA Development Review Application \(Form A1\) 2021_07_29.pdf](#)
[ZMANarrativeAndFigures_08032021.pdf](#)
[ZMAExhibitofProperty_08032021.pdf](#)
[ZMAZoningDesignationMap_08032021.pdf](#)

Report compiled on: November 12, 2021

21319 Staff Report for the Mountains Walking Zone Map Amendment

Public Hearing:

The Zoning Commission public hearing was held on October 25, 2021. See further discussion below.

The City Commission public hearing will be held on November 23, 2021.

Project Description: Zone Map Amendment application to rezone two existing parcels from R-2 (Residential moderate density district) and M-1 (Light manufacturing district) to B-2M (Community business district) on a total of 1.12 acres.

Project Location: Property is located at 414 and 422 N Plum Ave, more thoroughly described as Lots 18, 19, 20, & 21A of Northern Pacific Addition, Section 07, Township 02 South, Range 06 East, City of Bozeman, Gallatin County, Montana.

Recommendation: Meets standards for approval with contingencies.

Zoning Commission Motion: Having reviewed and considered the staff report, application materials, public comment, and all information presented, I hereby adopt the findings presented in the staff report for application 21319 and move to recommend approval of the Mountains Walking Zone Map Amendment, with contingencies required to complete the application processing. *The motion to recommend approval of the amendment failed 1:4.*

City Commission Recommended Motion: Having reviewed and considered the staff report, application materials, public comment, and all information presented, I hereby adopt the findings presented in the staff report for application 21319 and move to approve the Mountains Walking Zone Map Amendment, with contingencies required to complete the application processing.

Report Date: November 12, 2021

Staff Contact: Lynn Hyde, Development Review Planner

Agenda Item Type: Action - **Legislative**

EXECUTIVE SUMMARY

Unresolved Issues

None identified at this time.

Project Summary

An application to rezone two existing parcels from R-2 (Residential moderate density district) and M-1 (Light manufacturing district) to B-2M (Community business district) on a total of 1.12 acres. For future discussion, the parcels are described as Parcel 1 and Parcel 2. Description of the two parcels are as follows:

Parcel 1: The northern parcel (addressed 422 N Plum) has a future land use designation of Community Commercial Mixed Use. It is currently designated as M-1, light manufacturing district and has an existing brewery (Mountains Walking) located on site. The existing commercial building is approximately 6,732 square feet. This parcel is 0.873 acres.

Parcel 2: The southern parcel (addressed 414 N Plum) has a future land use designation of Urban Neighborhood. The applicant has also submitted a Growth Policy Amendment (GPA) requesting to re-designate the southern parcel as Community Commercial Mixed Use. It is currently designated as Urban Neighborhood on the Bozeman Community Plan 2020 (Community Plan) future land use map, and is zoned as R-2, residential moderate density district, and has an existing 1,196 square foot single household unit on the property. This parcel is .244 acres.

The City Commission will hold a public hearing on the zone map amendment on November 23, 2021. The meeting will be held electronically via WebEx. Instructions for joining the meeting will be included on the meeting agenda. The meeting will begin at 6 p.m.

Application materials are available online at:

<https://weblink.bozeman.net/WebLink/Browse.aspx?id=239935&dbid=0&repo=BOZEMAN>

The following publicly adopted planning documents support urban development for the subject area if development is proposed on the site:

- [Bozeman Community Plan 2020](#)
- [Transportation Master Plan 2017](#) – City transportation plan
- [Water Facility Plan 2017](#) – City’s plan for water system operations and expansion
- [Wastewater Facility Plan 2015](#) – City’s plan for wastewater system operations and expansion.

Public Comment

There have been numerous public comments received regarding this project both in favor and against. Written comments are available at the below link. Many commenters have merged comments on this zone map amendment with the growth policy amendment application Mountains Walking 21318 which precedes the zone map amendment, thus the public comments have been combined into one folder to ensure all comments are entered into the record.

<https://weblink.bozeman.net/WebLink/Browse.aspx?id=256275&dbid=0&repo=BOZEMAN>

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The Zoning Commission held a public hearing on this ZMA on October 25, 2021. The motion to recommend approval of the amendment to the zoning district for the two parcels failed, 1-4. The public hearing can be viewed here,

https://bozeman.granicus.com/player/clip/170?view_id=1&redirect=true .

(33:50 presentation begins, 43:57 Zoning Commission questions and discussion, 52:00 public comment, 1:35:50 vote).

Staff summary of the Zoning Commission Findings are:

1. Positive:

Supported rezone of Parcel 1 with the existing underlying land use designation of Community Commercial Mixed Use from M-1 to B-2M as the change supports the existing growth policy.

2. Negative:

Concern about rezone on Parcel 2 based on residential adjacency and potential future development under B-2M not being compatible with existing residential and R-2 zone, particularly without an adequate buffer existing between the parcels. Extension of a commercial zone into a residential neighborhood could increase likelihood of negative impacts due to the inconsistencies.

3. Neutral:

A main discussion point throughout the public hearing was commissioner's concern there was not already an underlying supporting land use designation for Parcel 2 prior to discussing the zone map amendment. Although there was a concurrent GPA application submitted as is allowed, it was difficult to analyze the rezone without knowing a recommendation and final decision on the GPA.

Alternatives

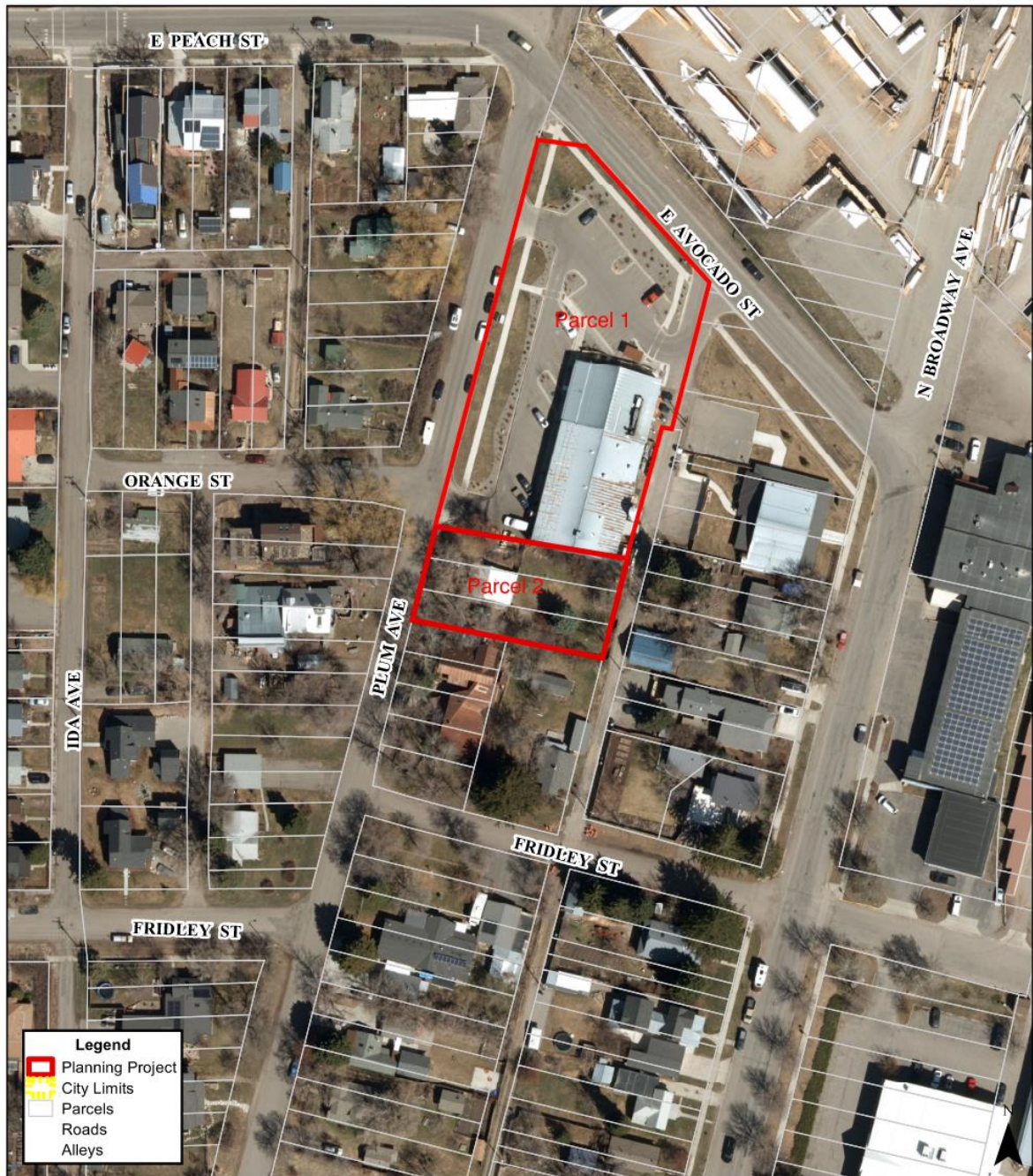
1. Deny the application based on the Commission's findings of non-compliance with the applicable criteria contained within the staff report; or
2. Open and continue the public hearing on the application, with specific direction to staff or the applicant to supply additional information or to address specific items.

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SECTION 1 - MAP SERIES

Map 1: Vicinity Map of the project site in the City of Bozeman



This map was created by the
City of Bozeman
Planning Division
Intended for Planning purposes only.

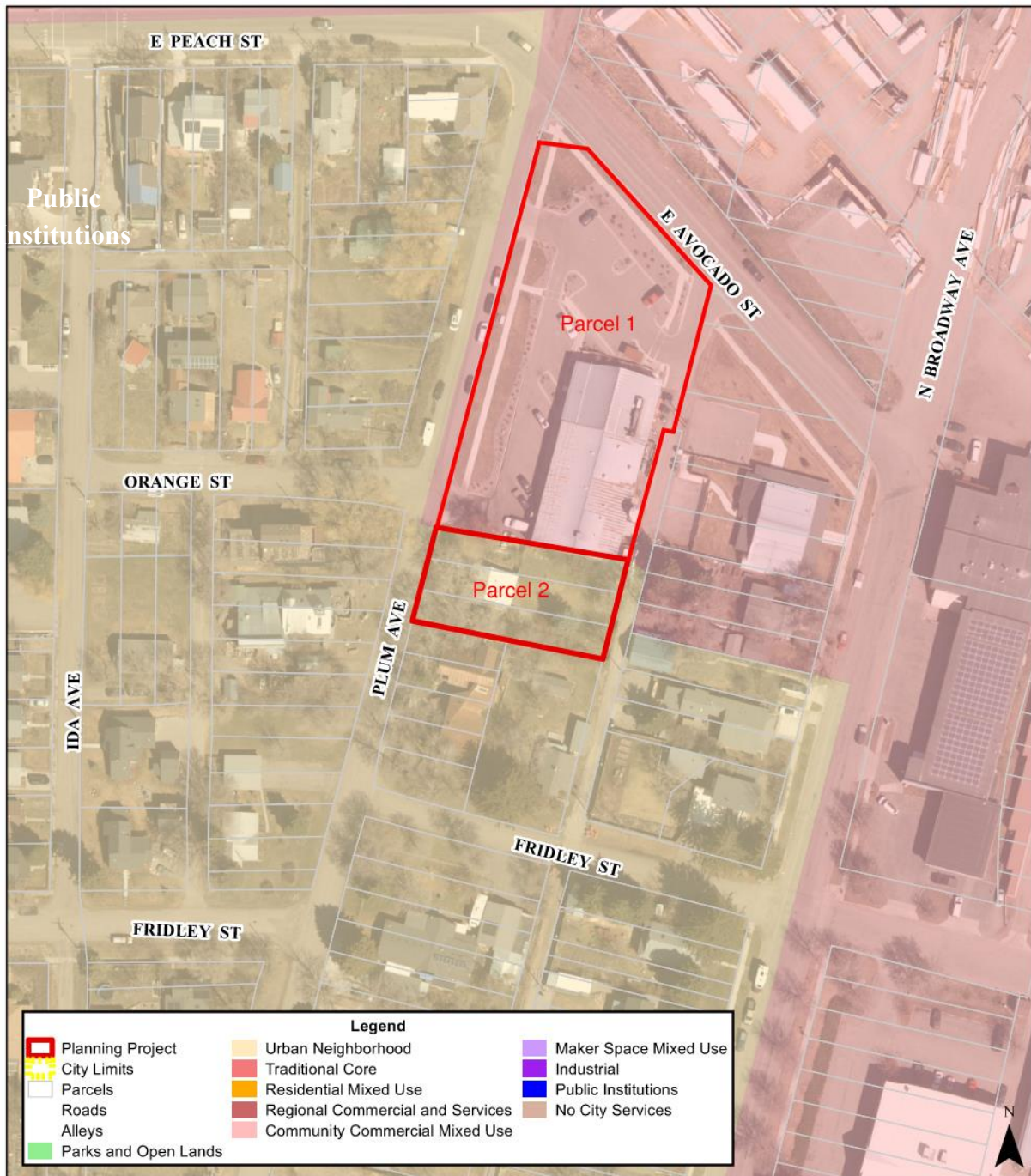
Revised: 10/20/2021

1 inch = 100 feet

Mountains Walking ZMA
Proposed Zone Map Amendment
Application 21319
Submitted 08/04/2021

BOZEMAN^{MT}
Planning

Map 2: Bozeman Community Plan 2020 Future Land Use Map



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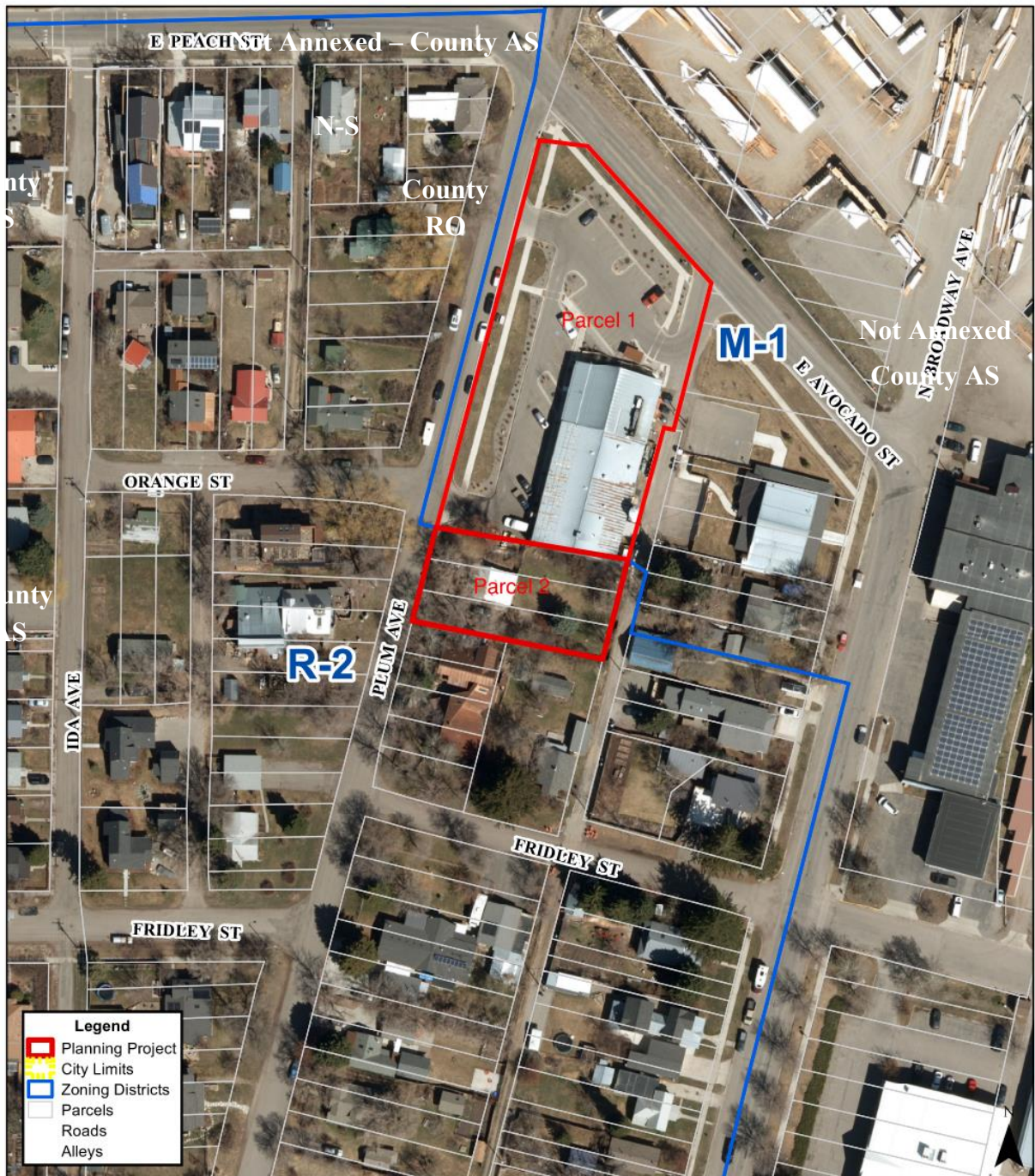
Revised: 10/20/2021

1 inch = 100 feet

Mountains Walking ZMA
Proposed Zone Map Amendment
Application 21319
Submitted 08/04/2021

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Map 3: Existing Zoning



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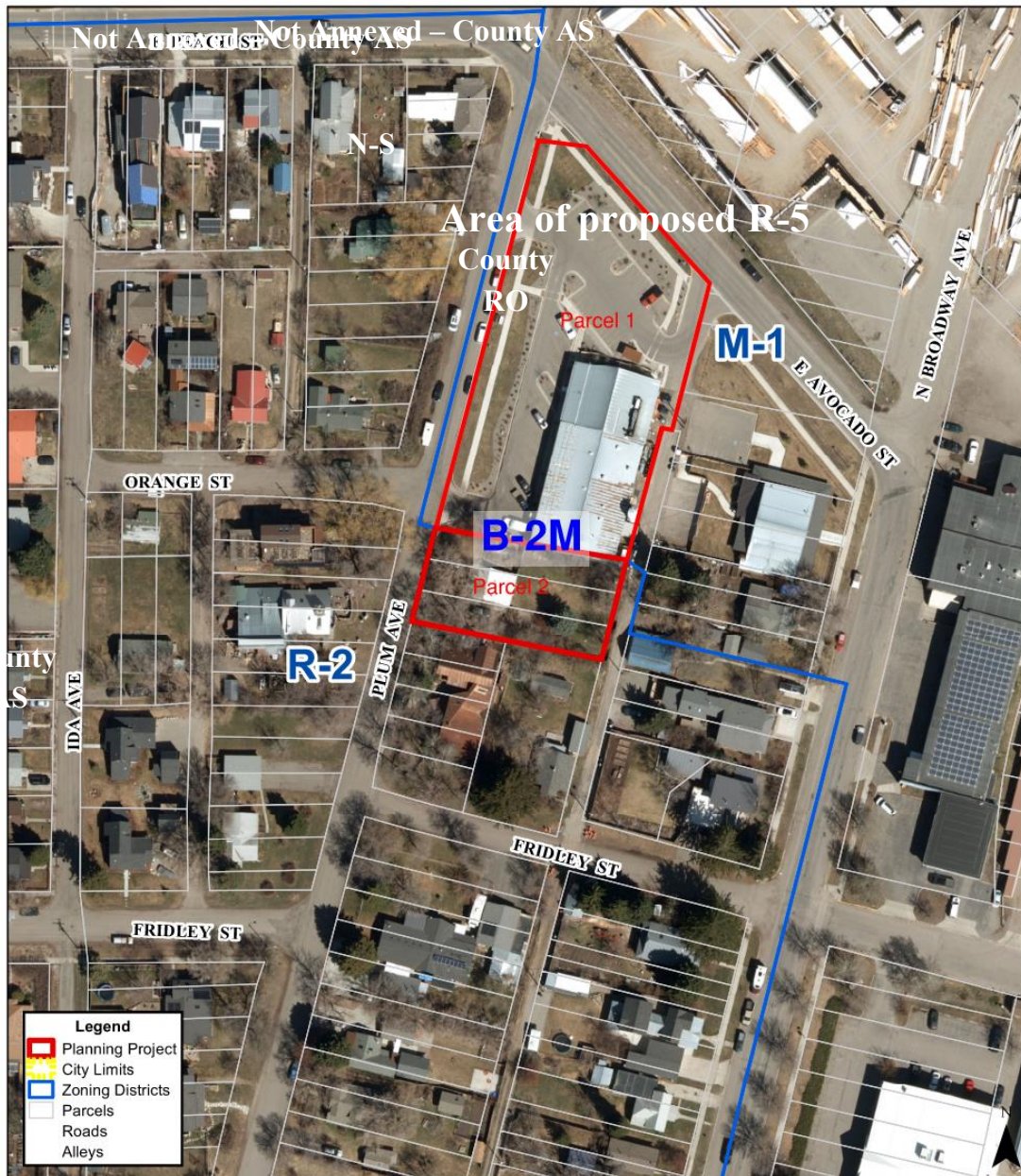
Revised: 10/20/2021

1 inch = 100 feet

Mountains Walking ZMA
Proposed Zone Map Amendment
Application 21319
Submitted 08/04/2021

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Map 4: Proposed Zoning



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City of Bozeman
Planning Division
Intended for Planning purposes only.

Revised: 10/20/2021

1 inch = 100 feet

Mountains Walking ZMA
Proposed Zone Map Amendment
Application 21319
Submitted 08/04/2021

BOZEMAN^{MT}
Planning

SECTION 2 - RECOMMENDED CONTINGENCIES OF ZONE MAP AMENDMENT

Please note that these contingencies are necessary for the City to complete the process of the proposed amendment.

Recommended Contingencies of Approval:

1. That the City Commission adopts an implementing resolution for the requested Growth Plan Amendment (GPA) to designate Parcel 2, addressed as 414 N Plum, as Community Commercial Mixed Use from Urban Neighborhood.
2. That all documents and exhibits necessary to establish the amended municipal zoning designation of B-2M shall be identified as the “Mountains Walking Zone Map Amendment”.
3. The applicant must submit a zone amendment map, titled “Mountains Walking Zone Map Amendment,” acceptable to the Director of Public Works, as a PDF which will be utilized in the preparation of the Ordinance to officially amend the City of Bozeman Zoning Map. The map shall contain a metes and bounds legal description of the perimeter of the subject property including adjacent rights-of-way, and total acreage of the property.
4. The Ordinance for the Zone Map Amendment shall not be drafted until the applicant provides an editable metes and bounds legal description prepared by a licensed Montana surveyor.
5. All required materials shall be provided to the Department of Community Development within 60 days of a favorable action of the City Commission or any approval shall be null and void.

SECTION 3 - RECOMMENDATION AND FUTURE ACTIONS

Having considered the criteria established for a zone map amendment, the Staff recommends approval as submitted of the Mountains Walking Zone Map Amendment (ZMA) contingent upon City Commission adoption of the Growth Policy Amendment for Parcel 2 from Urban Neighborhood to Community Commercial Mixed Use.

The Development Review Committee (DRC) considered the amendment and did not identify any infrastructure or regulatory constraints that would impede the approval of the application at this time.

The Zoning Commission held a public hearing on this ZMA on October 25, 2021. The motion to recommend approval of the amendment to the zoning district for the two parcels failed, 1-4. The public hearing can be viewed here,

https://bozeman.granicus.com/player/clip/170?view_id=1&redirect=true .

(33:50 presentation begins, 43:57 Zoning Commission questions and discussion, 52:00 public comment, 1:35:50 vote). See additional discussion above in the *Executive Summary*.

SECTION 4 - ZONE MAP AMENDMENT STAFF ANALYSIS AND FINDINGS

In considering applications for zone map amendment approval under this title, the advisory boards and City Commission must consider the following criteria (letters A-K). As an amendment is a legislative action, the Commission has broad latitude to determine a policy direction. The burden of proof that the application should be approved lies with the applicant.

A zone map amendment must be in accordance with the growth policy (criteria A) and be designed to secure safety from fire and other dangers (criteria B), promote public health, public safety, and general welfare (criteria C), and facilitate the provision of transportation, water, sewerage, schools, parks and other public requirements (criteria D). Therefore, to approve a zone map amendment the Commission must find Criteria A-D are met.

In addition, the Commission must also consider criteria E-K, and may find the zone map amendment to be positive, neutral, or negative with regards to these criteria. To approve the zone map amendment, the Commission must find the positive outcomes of the amendment outweigh negative outcomes for criteria E-K. In determining whether the criteria are met, Staff considers the entire body of regulations for land development. Standards which prevent or mitigated negative impacts are incorporated throughout the entire municipal code but are principally in Chapter 38, Unified Development Code.

Section 76-2-304, MCA (Zoning) Criteria

A. Be in accordance with a growth policy.

Criterion met. As noted above, Staff's conclusions are dependent on the approval of the requested change in the underlying future land use map. The Community Plan, Chapter 5, p. 73, in the section titled Review Criteria for Zoning Amendments, discusses how the various criteria in 76-2-304 MCA are applied locally. Application of the criteria varies depending on whether an amendment is for the zoning map or for the text of Chapter 38, BMC. The first criterion for a zoning amendment is in accordance with a growth policy.

The applicant supports this criterion stating "Under the updated growth plan, the City of Bozeman correlates certain zoning designations with each future land use category. In this case, according to Page 58 of the Bozeman 2020 Community Plan, a zoning designation of B-2M is permitted under Community Commercial Mixed-Use land use. Therefore, the new zoning designation (B-2M) is in compliance with the City of Bozeman's growth policy. In addition, when looking at the big picture for the future land use of the area, the City of Bozeman is trying to move away from industrial use and shift more towards commercial and residential mixed use. The proposed development and associated zone map amendment both fit very

nicely with the direction the City of Bozeman wants to move in the future regarding land use of this area.”

Future Land Use Map

The proposed amendment is a change to the zoning map. Therefore, it is necessary to analyze compliance with the future land use map. Chapter 3 of the Community Plan addresses the future land use map. The introduction to that chapter discusses the importance of the chapter. Following are some excerpts:

“Future land use is the community’s fundamental building block. It is an illustration of the City’s desired outcome to accommodate the complex and diverse needs of its residents.”

“The land use map sets generalized expectations for what goes where in the community. Each category has its own descriptions. Understanding the future land use map is not possible without understanding the category descriptions.”

The area of this application is within the urban area in the City’s adopted land use plan. As shown on the maps in Section 1, the northern parcel, Parcel 1, (and surrounding areas to the north and northeast) are designated as Community Commercial Mixed Use and the southern parcel, Parcel 2, (and surrounding areas to the south and southwest) are currently designated as Urban Neighborhood. Further discussion on the two parcels is below:

Parcel 1 (The northern parcel): The future land use designation for this property was modified with the recent adoption of the Bozeman Community Plan 2020 on November 17, 2020, ([the Community Plan](#)). Previously, Parcel 1 had an industrial designation, however it was changed with the adoption of the current Future Land Use Map to Community Commercial Mixed Use. This designation has several supporting zoning districts including the proposed B-2M. The current zoning designation of M-1 is not a supporting zoning designation for this land use designation and is a relic from the previous growth policy. Thus, the proposed B-2M is furthering Parcel 1’s compliance with the adopted Growth Plan.

Parcel 2 (The southern parcel): The future land use designation for this parcel is currently Urban Neighborhood. The applicant has submitted a Growth Policy Amendment (GPA) requesting the designation change to Community Commercial Mixed Use. If the land use change request is approved, then the requested zoning designation of B-2M would be supporting the designation, however if the change is not approved, then B-2M would not be supporting the future land use map. Due to the shared ownership and coordinated use of this parcel with Parcel 1, this change of land use designation is not anticipated to change the character of the district significantly.

Commercial Mixed-Use. The Community Commercial Mixed-Use designation description reads:

“The Community Commercial Mixed Use category promotes commercial areas necessary for economic health and vibrancy. This includes professional and personal services, retail, education, health services, offices, public administration, and tourism establishments. Density is expected to be higher than it is currently in most commercial areas in Bozeman and should include multi-story buildings. Residences on upper floors, in appropriate circumstances, are encouraged. The urban character expected in this designation includes urban streetscapes, plazas, outdoor seating, public art, and hardscaped open space and park amenities. High density residential areas are expected in close proximity.

Developments in this land use area should be located on one or two quadrants of intersections of the arterial and/or collector streets and integrated with transit and non-automotive routes. Due to past development patterns, there are also areas along major streets where this category is organized as a corridor rather than a center. Although a broad range of uses may be appropriate in both types of locations, the size and scale is to be smaller within the local service areas. Building and site designs made to support easy reuse of the building and site over time is important. Mixed use areas should be developed in an integrated, pedestrian friendly manner and should not be overly dominated by any single use. Higher intensity uses are encouraged in the core of the area or adjacent to significant streets and intersections. Building height or other methods of transition may be required for compatibility with adjacent development.

Smaller neighborhood scale areas are intended to provide local service to an area of approximately one half-mile to one mile radius as well as passersby. These smaller centers support and help give identity to neighborhoods by providing a visible and distinct focal point as well as employment and services. Densities of nearby homes needed to support this scale are an average of 14 to 22 dwellings per net acre.”

CORRELATION WITH ZONING

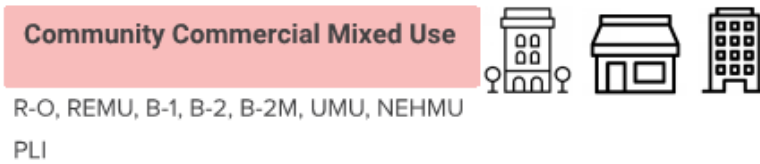
The zoning districts which implement each future land use category are shown in relation to each future land use category in chart below. For zoning district intent, see [38.300](#). For permitted uses, see [38.310](#).

Urban Residential

R-S, R-1, R-2, R-3, R-4, R-5, R-O, REMU

RMH, B-1, PLI





Goals and Policies

A zoning amendment is also evaluated against the goals and policies of the Bozeman Community Plan 2020 (the “Community Plan”). Most of the goals and policies are not applicable to this application. Relevant goals and objectives have been identified by staff. Conflict with the text of the growth policy hasn’t been identified.

The Short Term Action list on page 63 of the Community Plan describes 14 items to implement the growth policy. The first two relate to direct changes to the zoning map in support of listed goals and objectives. These include increasing the intensity of zoning districts in already developed areas. Beginning on page 71 of the Community Plan in the section titled Zoning Amendment Review, the document discusses how the City implements zoning for new areas, amendments to areas, and revisions to existing text. This section includes a discussion of when the City may initiate a zoning change to a more intensive district to increase development opportunities. This section demonstrates that the City, as a matter of policy, is supportive of more intensive zoning districts and development, even within already developed areas. This policy approach does not specify any individual district but does lean towards the more intensive portion of the zoning district spectrum.

This mix of development at densities appropriate for a growing urban area is therefore grounded on tenets of the Community Plan. Moreover, the B-2M zoning proposed through this application fosters flexibility to address both current market trends and long term land use goals for the subject property. The Community Plan includes several goals and objectives that are broadly served through this application, including:

Goal N-2: Pursue simultaneous emergence of commercial nodes and residential development through diverse mechanisms in appropriate locations.

N-2.3 Investigate and encourage development of commerce concurrent with, or soon after, residential development. Actions, staff, and budgetary resources relating to neighborhood commercial development should be given a high priority.

DCD-1.7 Coordinate infrastructure construction, maintenance, and upgrades to support infill development, reduce costs, and minimize disruption to the public.

M-1.1 Prioritize mixed-use land use patterns. Encourage and enable the development of housing, jobs, and services in close proximity to one another.

The historical character of the neighborhood has been a mix of residential, industrial, and commercial that has been built up for over 100 years. The B-2M proposed is consistent with the historical land use pattern with the intent of the B-2M to provide a range of commercial uses and encourages the integration of multi-household residential. Pedestrian oriented design are an important element of the district.

M-1.4 Develop safe, connected, and complementary transportation networks for pedestrians, bicyclists, and users of other personal mobility devices (e-bikes, electric scooters, powered wheelchairs, etc.).”

Considering this analysis as a whole, staff finds this criterion is met and the application is in accordance with the growth policy.

B. Secure safety from fire and other dangers.

Criterion Met. The subject property is currently served by City of Bozeman Fire and Police Departments. The property currently has a brewery on the northern parcel and single family home on the southern parcel. Future development of the property will be required to conform to all City of Bozeman public safety, building code and land use requirements, which will ensure this criterion is met. The change to B-2M is not anticipated to adversely impact safety from fire and other dangers.

C. Promote public health, public safety, and general welfare.

Criterion Met. Potential future development of the site will require compliance with the City’s Unified Development Code which ensures the promotion of public health, safety, and general welfare. The proposed amendment will not put undue burden on municipal services, emergency response capability, or similar existing requirements.

Public comment has mentioned potential negative effects of the existing user and concern of potential expansion issues. The concerns include, but are not limited to: noise pollution; existing and added traffic; parking spillover; outdoor storage of materials; deliveries; etc. The Bozeman Municipal Code (BMC), adopted by the City Commission, has standards that aim to reduce negative offsite impacts of any developments or potentially conflicting users. Any future development will be held to the same standards as all new development with the city to work to ameliorate any potential user conflicts.

D. Facilitate the provision of transportation, water, sewerage, schools, parks and other public requirements.

Criterion met. The Community Plan, page 74, says the following regarding evaluation of Section 4, Criteria B, C, & D for zoning amendments:

“For a map amendment, all three of the above elements are addressed primarily by the City’s long range facility Plans, the City’s capital improvements program, and development standards adopted by the City. The standards set minimum sizing and flow requirements, require dedication of parks, provision of right of way for people and vehicles,

keep development out of floodplains, and other items to address public safety, etc. It is often difficult to assess these issues in detail on a specific site.

The City conducts extensive planning for municipal transportation, water, sewer, parks, and other facilities and services provided by the City and these parcels are within those service areas. The adopted plans allow the City to consider existing conditions and identify enhancements needed to provide service to new development. See page 19 of the Community Plan for a listing. The City implements these plans through its capital improvements program (CIP). The CIP identifies individual projects, project construction scheduling, and financing of construction for infrastructure. Private development must demonstrate compliance with standards prior to construction. Dedication of school facilities is not required by municipal zoning standards.

As stated in 38.300.020.C, the designation of a zoning district does not guarantee approval of new development until the City verifies the availability of needed infrastructure.

38.300.020.C, “Placement of any given zoning district on an area depicted on the zoning map indicates a judgment on the part of the city that the range of uses allowed within that district are generally acceptable in that location. It is not a guarantee of approval for any given use prior to the completion of the appropriate review procedure and compliance with all of the applicable requirements and development standards of this chapter and other applicable policies, laws and ordinances. It is also not a guarantee of immediate infrastructure availability or a commitment on the part of the city to bear the cost of extending services.”

Future site plan and/or subdivision review will consider specific infrastructure needs and verify adequacy of supply. If infrastructure is deficient, additional capacity will be required. For example see the standards in [Article 38.4](#), Community Design.

E. Reasonable provision of adequate light and air.

Criterion Met. Ensuring public health and safety is integral for the City’s adopted regulations. As with all zoning districts, the B-2M district includes setbacks from property lines adequate to meet this standard. The form and intensity standards, [Division 38.320](#), require minimum separation from property lines, limits building heights, limits lot coverage with buildings, and maximum volume of buildings on a site. [Section 38.520.030](#) requires building placement to ensure access to light and air. [Division 38.420](#) and [Section 38.520.060](#) require dedication of parks and on-site open spaces to meet needs of residents.

To the south, where the proposed B-2M would be adjacent to R-2, zone edge transitions found in [Section 38.320.060](#) are applicable which require developments in B-2M that are adjacent to RS, R-1, or R-2 districts “from a height of 38 feet at a ten foot setback from the applicable residential districts, buildings must step back at a 45 degree angle away from the applicable property line.” The standards provide a reasonable provision of adequate light and

air. The property is bordered by streets to the west and an alley to the east, thus providing additional separation and allowing adequate light and air.

In addition to the zoning standards, adopted building codes contain more detailed requirements for air circulation, window placement, and building separation that further ensure the intent of this criterion is satisfied.

F. The effect on motorized and non-motorized transportation systems.

Neutral. The requested changes in zoning to B-2M will not itself impact the motorized and non-motorized transportation system. Future development of the property will be required to comply with transportation-related standards and reviewed for impacts on the surrounding streets, intersections, and sidewalks. Adopted standards include provisions for pedestrians, bicycles, and motor vehicles. The site is part of the Northern Pacific Addition to Bozeman and has been built up for over 100 years. The street network was established with the initial platting in 1883. Sidewalks are missing from many streets in the area. Any new development, such as that on Parcel 1, is required to install sidewalks, which improves pedestrian access in the area.

The proposed change in zoning would allow more intensive development than the present zoning. However, the review processes applicable to new development also require review of capacity for transportation. If needed to comply with adopted standards, additional street improvements are required. The overall site is adjacent to Avocado Street which is a designated collector street. The site also fronts onto Plum Ave, a local street. Redevelopment in the area is upgrading the existing street network with sidewalks and stormwater controls.

The site has a Walk Score of 60, a Transit score of 21, and Bike Score of 67. Average walk score for the city as a whole is 48 out of 100. These values are provided by Walk Score, a private organization which presents information on real estate and transportation through [walkscore.com](https://www.walkscore.com). The algorithm which produces these numbers is proprietary. A score is not an indication of safety or continuity of services or routes. Scores are influenced by proximity of housing, transit, and services and expected ability, as determined by the algorithm, to meet basic needs without using a car. Sites located on the edge of the community have lower scores than those in the center of the community as the area is still under development and therefore diversity of uses is less than in fully established areas. There are no adopted city development code standards relating to the walk score.

G. Promotion of compatible urban growth.

Criterion met. The Bozeman Community Plan establishes a preferred and compatible development pattern. *“The land use map sets generalized expectations for what goes where in the community... The land use categories and descriptions provide a guide for appropriate development and redevelopment locations for civic, residential, commercial, industrial, and*

other uses. The future land use designations are important because they aim to further the vision and goals of the City through promoting sustainability, citizen and visitor safety, and a high quality of life that will shape Bozeman's future.” (Community Plan p. 51).

The City's future land use map designates Parcel 1 as Community Commercial Mixed-Use and a growth policy amendment seeks to place the same designation on Parcel 2. These designations correlate with several zoning districts including the B-2M district proposed by the applicants. The districts were developed by the City to promote appropriate urban growth compatible with the areas of the City as identified on the future land use map. Based on the land use map designations and correlated zoning districts in the plan and proposed by the applicants, the zone map amendment would promote compatible urban growth. Also see the discussion in Criterion E above and Criterion H below.

The applicant also adds that “The proposed development and associated new zoning both align very nicely with the City's plan for the future of this area by combining Mountains Walking business operations with employee housing.”

H. Character of the district.

Criterion met. Section 76-2-302, MCA says “...legislative body may divide the municipality into districts of the *number, shape, and area* as are considered best suited to carry out the purposes [promoting health, safety, morals, or the general welfare of the community] of this part.” Emphasis added.

This proposal seeks to amend the zoning map and not the text. Therefore, no element of this amendment modifies the standards of any zoning district. The character of the districts as created by those standards remains intact. The proposed B-2M contemplates a mix of commercial and residential units which is consistent with the character of the district.

As noted above, the City Commission has latitude in considering the geographical extents of a zoning district. It is not expected that zoning freeze the character of an area in perpetuity. Rather, it provides a structured method to consider changes to the character.

The City has defined compatible development as:

“The use of land and the construction and use of structures which is in harmony with adjoining development, existing neighborhoods, and the goals and objectives of the city's adopted growth policy. Elements of compatible development include, but are not limited to, variety of architectural design; rhythm of architectural elements; scale; intensity; materials; building siting; lot and building size; hours of operation; and integration with existing community systems including water and sewer services, natural elements in the area, motorized and non-motorized transportation, and open spaces and parks. Compatible development does not require uniformity or monotony of architectural or site design, density or use.”

The City has adopted many standards to identify and avoid or mitigate demonstrable negative impacts of development. These will support the ability of future development to be compatible with adjacent development and uphold the mixed residential and non-residential character of the area. See also Criterion I.

When evaluating a map amendment there is not a fixed distance to review to consider character. Considering the existing uses in a two block radius surrounding the application site, the character of the district has historically been and continues to be a mix of diverse uses including more industrial, warehouse users, small retail and commercial users, and residential. Parcel 1, where the brewery is today, has long had a non-residential user on it as have the users to the east. The requested zone map amendment moves the existing residential/non-residential border about 75 feet. The block remains a mix of residential and commercial uses.

The parcels are bordered by streets to the west and north and an alley to the east which creates a natural buffer between zoning districts. Page 77 of the growth plan states, “at a minimum, zoning boundaries should follow property boundaries. The greater the physical separation, the less likely there may be a conflict. For example, a local street, typically 60 feet wide, when combined with the standards for site development, is generally considered an adequate separation – even for substantially different districts.” This street buffer is provided on two of the four sides of the properties, with an alley on the east. Thus, it is the property line to the south that would rely on zone edge transitions to assist in stepping the intensity of uses and bulk and dimension of the buildings from the lesser intense residential zone to the south to the proposed B-2M to the north.

With the approval of the proposed use, the applicant has indicated the desire to expand their business stating “The new building expands brewery operations on the first floor and provides several living units for employees on the upper floor.” Thus it is anticipated that with this zone map amendment, the district will continue being enhanced in a manner that increases the character of the district, and furthermore city of Bozeman.

I. Peculiar suitability for particular uses.

Criterion Met. The proposed zoning changes would allow more flexibility in the types of use allowed on both parcels, including residential apartments being allowed on Parcel 1, and commercial allowed on Parcel 2. The recently adopted Bozeman Community Plan 2020 which changed the underlying growth policy designation for Parcel 1 from Industrial to Community Commercial Mixed Use indicates the City’s desire for a continued mixed use neighborhood in this area of the City. While Parcel 2 remained Urban Neighborhood, the immediate adjacency to Parcel 1 makes the change relatively minor affecting only 0.2% of the R-2 district which currently includes Parcel 2.

The existing uses to the north of the property are industrial with higher intensity uses on them and the railroad location adjacent to the neighboring properties to the north. The uses to the

south and west are less dense residential on smaller lots with a more historic grid pattern of development. Thus, the subject property lies between residential (less intense land use development), and the more intense industrial use to the north. As a result, the proposed zoning designation would result in a land use suitable for the adjacent neighborhoods.

J. Conserving the value of buildings.

Criterion Met. Parcel 1 has an existing commercial building and parking area for the brewery. The B-2M zoning will allow the applicant to expand the brewery while adding a residential component. Parcel 2 has a single household unit on it. The new zone will allow a more intense use on that property and may see the redevelopment of that structure with a more intense use.

Furthermore, the applicant supports this criterion stating, “The new zoning was adopted with a view of conserving the values of building. The proposed multi-use development combines business and housing all into the same location which makes the building inherently more versatile and valuable. Additionally, the new development would aim to maintain and enhance the current property through redevelopment, rather than starting brand new construction on the outskirts of town. Finally, the work-live building also helps blend the surrounding urban neighborhoods into the commercial sector more smoothly.”

Future development must comply with the Bozeman Unified Development Code which will ensure an appropriate scale and intensity of uses. As a result, the proposed zone map amendment is not anticipated to negatively impact nearby building values as the development pattern will be appropriate to the surrounding character of the district. Some public comments have expressed concerns that the potential increased intensity of uses associated with the proposed zoning will have a negative effect on surrounding residential property owners’ home values. Due to the unpredictability of the real estate market and the absence of a development plan for Parcel 2 at this juncture, it is impossible to foresee the effect of any potential future development on this parcel as it relates to adjacent property values.

K. Encourage the most appropriate use of land throughout the jurisdictional area.

Criterion Met. As stated above, the Community Plan illustrates the most appropriate use of the land. In this case, urban mixed-use development has been identified by the community as the most appropriate types of development for the property. The Unified Development Code contains standards, protections and review processes to ensure the land is developed in ways that protect and promote public health, safety, and general welfare. As noted above, there is a growth policy amendment being reviewed at this time. If that application is approved, then the future land use map will indicate that it is inappropriate to continue Parcel 2 as R-2 zoned property.

The applicant supports this criterion stating, “the new zoning encourages the most appropriate use of land throughout the jurisdictional area. The City of Bozeman wants to

push this area away from industrial use towards commercial and residential mixed-use. The current brewery and the surrounding area to the north/east fall into the Community Commercial Mixed-Use future land use designation. A zoning designation of B-2M is permitted under Community Commercial Mixed-Use and encourages mixed-use business buildings. The proposed development combines business operations and employee housing all into one which aligns very nicely with the City of Bozeman's goals for the future land use of the area. The multi-use nature of the new buildings get the greatest number of uses out of the same plot of land."

Spot Zoning Criteria

Rezoning may, in certain factual circumstances, constitute impermissible "spot zoning." The issue of whether a rezoning constitutes spot zoning was discussed by the Montana Supreme Court in *Plains Grains LP v. Board of County Comm'rs of Cascade County* and *Little v. Bd. Of County Comm'rs*, in which the Court determined that the presence of the following three conditions generally will indicate that a given situation constitutes spot zoning, regardless of variations in factual scenarios.

1. Is the proposed use significantly different from the prevailing land uses in the area?

No. This criterion includes the modifier 'significantly.' It is not prohibited to have uses that are different. To be a Yes, the reviewer must demonstrate a 'significant difference.'

The existing uses to the north of the property are industrial with higher intensity uses on them. The pattern and type of development have derived from the proximity to the railroad to the north. The railroad has guided the land use to be more industrial in nature. The subject property lies between residential (less intense land use development), and the more intense industrial use to the north. The dividing line between zoning districts is presently the boundary between Parcel 1 and Parcel 2. If this application were approved the line would move only one parcel to the south. The overall mixed use character of the area would remain. In addition, the property currently has a brewery on site. As a result, the proposed zoning designation would not result in primary uses of the site which are significantly different from prevailing and planned land uses in the area.

The adopted growth policy recently changed the future land use designation of Parcel 1 and the overall 84 acres now shown as Community Commercial Mixed Use. The change in the growth policy indicates that some change in uses in the area is also desired. As noted in review of criteria above, the existing zoning no longer is in accordance with the growth policy. The current application is the first in the area to seek to correct the inconsistency, but is not expected to be the last as redevelopment in the area seen over the recent past continues.

2. *Is the area requested for the rezone rather small in terms of the number of separate landowners benefited from the proposed change?*

Yes. The proposed zoning change benefits one property owner who is the applicant. However, the B-2M zoning designation is an implementing district to the existing land use designation, Community Commercial Mixed Use, of the northern parcel (Parcel 1) and to the proposed land use designation of Parcel 2 (note that currently the land use designation to Parcel 2 is Urban Neighborhood, however as stated the applicant has submitted a proposal to change the future land use to Community Commercial Mixed Use).

3. *Would the change be in the nature of “special legislation” designed to benefit only one or a few landowners at the expense of the surrounding landowners or the general public?*

No. No substantial negative impacts to the surrounding landowners or the general public have been identified due to this amendment. While the number of landowners who will directly benefit from the proposed zone map amendment is small (one), the proposed amendment is not at the expense of surrounding landowners or the general public. As discussed above in the various review criteria, no substantial negative impacts have been identified due to this amendment. The proposed B-2M zoning designation will allow for a variety of uses conducive to the existing (and proposed) Community Commercial Mixed Use designation. Future use and development of the site must conform to the adopted standards of Chapter 38 BMC which have been found to be sufficient to mitigate impacts of development. Therefore, there should be minimal if any benefit at the expense of others.

The area to the north has changed designation from Industrial to Community Commercial Mixed Use. The M-1 zoning district is not an implementing district of the Community Commercial Mixed Use future land use designation. Although this is the first zone map amendment proposing a change to conform to the new Community Commercial Mixed Use designation it will not be the last. On page 63, Community Plan, the short term action list to implement the growth policy includes “11. Revise the zoning map to harmonize with the future land use map as noted in objectives N-1.3, N-2.1, N-2.2, EE-1.6, and RC-4.4.”

Public comments on this application have been both for and against the application. Commenters have raised reasons why the application is beneficial to the community as a whole and why they have concerns about individual impacts.

PROTEST NOTICE FOR ZONING AMENDMENTS

IN THE CASE OF WRITTEN PROTEST AGAINST SUCH CHANGES SIGNED BY THE OWNERS OF 25% OR MORE OF THE AREA OF THE LOTS WITHIN THE AMENDMENT AREA OR THOSE LOTS OR UNITS WITHIN 150 FEET FROM A LOT INCLUDED IN A

PROPOSED CHANGE, THE AMENDMENT SHALL NOT BECOME EFFECTIVE EXCEPT BY THE FAVORABLE VOTE OF TWO-THIRDS OF THE PRESENT AND VOTING MEMBERS OF THE CITY COMMISSION.

The City will accept written protests from property owners against the proposal described in this report until the close of the public hearing before the City Commission. Pursuant to 76-2-305, MCA, a protest may only be submitted by the owner(s) of real property within the area affected by the proposal or by owner(s) of real property that lie within 150 feet of an area affected by the proposal. The protest must be in writing and must be signed by all owners of the real property. In addition, a sufficient protest must: (i) contain a description of the action protested sufficient to identify the action against which the protest is lodged; and (ii) contain a statement of the protestor's qualifications (including listing all owners of the property and the physical address), to protest the action against which the protest is lodged, including ownership of property affected by the action. Signers are encouraged to print their names after their signatures. A person may in writing withdraw a previously filed protest at any time prior to final action by the City Commission. **Protests must be delivered to the Bozeman City Clerk, 121 North Rouse Ave., PO Box 1230, Bozeman, MT 59771-1230.**

A protest has been received by adjacent property owners that fall within the 150 foot radius of the area affected by the proposal. Pursuant the MCA 76-2-305(2) “an amendment may not become effective except upon a favorable vote of two-thirds of the present and voting members of the city or town council or legislative body of the municipality if a protest against a change pursuant to subsection (1) is signed by the owners of 25% or more of: (b) those lots or units, as defined by 70-23-102, 150 feet from a lot included in a proposed change.” Staff is evaluating the number of parcels within the radius to determine if the 25 percent threshold has been met. Should the threshold be met, the motion will require a two-thirds favorable vote to pass the proposed zone map amendment.

APPENDIX A - DETAILED PROJECT DESCRIPTION AND BACKGROUND

Gustav Dose, property owner and the applicant Allied Engineering Services, Inc. seek to rezone two existing parcels from R-2 (Residential moderate density district) and M-1 (Light manufacturing district) to B-2M (Community business district) on a total of 1.12 acres. The property is broken into two parcels for discussion purposes and further described below.

Parcel 1: The northern parcel (addressed 422 N Plum) has a future land use designation of Community Commercial Mixed Use. It is currently designated as M-1, light manufacturing district and has an existing brewery (Mountains Walking) located on site.

Parcel 2: The southern parcel (addressed 414 N Plum) has a future land use designation of Urban Neighborhood. The applicant has also submitted a Growth Plan Amendment (GPA) requesting to designate the southern parcel as Community Commercial Mixed Use. It is currently designated R-2, residential moderate density district and has an existing single household unit on the property.

The applicant has stated that if the Zone Map Amendment passes (as well as the Growth Plan Amendment), they intend to construct a new building on the south lot to expand the brewery space and create employee housing on the second floor of the new building. Additional parking is anticipated to be provided on the subject property for overflow brewery parking.

APPENDIX B - NOTICING AND PUBLIC COMMENT

Notice of the application and public hearings was published in the Bozeman Daily Chronicle on October 03, 17, and November 14, 2021. Notice was sent via first class mail to adjacent landowners and posted on the property on October 10, 2021. The City commission public hearing is scheduled for November 23, 2021.

Written public comments have been received regarding this project. Written comments are available at the below link. The comments given orally to the Zoning Commission are available through the web link in the Executive Summary. Many commenters have merged comments on the growth policy amendment, Mountains Walking 21318, with the zone map amendment application, Mountains Walking 21319. Thus the public comments have been combined into one folder to ensure all comments are entered into the record.

<https://weblink.bozeman.net/WebLink/Browse.aspx?id=256275&dbid=0&repo=BOZEMAN>

APPENDIX C - PROJECT GROWTH POLICY AND PROPOSED ZONING

Adopted Growth Policy Designation:

Parcel 1 is designated as community commercial mixed use in the Bozeman Community Plan 2020 future land use map and Parcel 2 is designated as Urban Neighborhood, however an application was submitted proposing Community Commercial Mixed Use for Parcel 2, thus in this staff report we are contemplating the applicability of Community Commercial Mixed Use – see descriptions below.

“Community Commercial Mixed Use.” The growth policy states that, “activities within this land use category are the basic employment and services necessary for a vibrant community. Establishments located within these categories draw from the community as a whole for their employee and customer base and are sized accordingly. A broad range of functions including retail, education, professional and personal services, offices, residences, and general service activities typify this designation. In the “center-based” land use pattern, Community Commercial Mixed Use areas are integrated with significant transportation corridors, including transit and non-automotive routes, to facilitate efficient travel opportunities. The density of

development is expected to be higher than currently seen in most commercial areas in Bozeman and should include multi-story buildings...High density residential areas are expected in close proximity. Including residential units on sites within this category, typically on upper floors, will facilitate the provision of services and opportunities to persons without requiring the use of an automobile... Mixed use areas should be developed in an integrated, pedestrian friendly manner and should not be overly dominated by any single land use. Higher intensity employment and residential uses are encouraged in the core of the area or adjacent to significant streets and intersections. As needed, building height transitions should be provided to be compatible with adjacent development.”

The Zoning Correlation Table on Page 58 of the Bozeman Community Plan, 2020 correlates zoning districts with the Growth Policy’s land use categories, demonstrating that the proposed zoning designation of B-2M correlates with the Growth Policy’s future land use designation of “Community Commercial Mixed Use”.

Proposed Zoning Designation and Land Uses:

The applicant has requested the B-2M zoning district.

The B-2M districts intent is to function as a vibrant mixed-use district that accommodates substantial growth and enhances the character of the city. This district provides for a range of commercial uses that serve both the immediate area and the broader trade area and encourages the integration of multi-household residential as a secondary use. Design standards emphasizing pedestrian oriented design are important elements of this district. Use of this zone is appropriate for arterial corridors, commercial nodes and/or areas served by transit.

CORRELATION WITH ZONING

The zoning districts which implement each future land use category are shown in relation to each future land use category in chart below. For zoning district intent, see [38.300](#). For permitted uses, see [38.310](#).

Urban Residential

R-S, R-1, R-2, R-3, R-4, R-5, R-O, REMU

RMH, B-1, PLI



Residential Mixed Use

R-3, R-4, R-5, R-O, REMU, B-1, PLI



Community Commercial Mixed Use

R-O, REMU, B-1, B-2, B-2M, UMU, NEHMU

PLI



Traditional Core

B-2M, B-3, PLI



Regional Commercial & Services

B-2, B-2M, UMU, PLI



Maker Space Mixed Use

BP, M-1, NEHMU, PLI



Industrial

M-1, M-2, BP, PLI



Parks & Open Lands

PLI



Public Institutions

PLI



LEGEND

-  Low Density Housing
-  Moderate Density Housing
-  Medium Density Housing
-  High Density Housing & Mixed Use
-  Neighborhood & Community Commercial & Business
-  Office
-  Downtown Business & Mixed Use
-  Large Commercial & Business
-  Maker Space
-  Manufacturing & Artisan
-  Public Lands, Parks, & Open Space
-  Educational Facilities
-  Civic Buildings & Institutions

Sec. 38.310.040. - Authorized uses—Commercial, mixed-use, and industrial zoning district.

Table 38.310.040.B

Permitted services and temporary lodging uses in commercial, mixed-use, and industrial zoning districts

Table clarifications:

1. Uses: P = Principal uses; C = Conditional uses; S = Special uses; A = Accessory uses; — = Uses which are not permitted.
2. If a * appears after the use, then the use is defined in article 7.
3. Where a code section is referenced after the use, then the use is subject to the additional standards in that code section.
4. If a number appears in the box, then the use may be allowed subject to development condition(s) described in the footnotes immediately following the table. If there are multiple numbers, then the use is subject to all applicable development conditions.
5. Where a number with a "sf" reference appears below a P or C in the box, it means that the use is permitted or conditionally permitted up to the (maximum) listed square footage in gross building area.

Uses	Zoning Districts										
	Commercial				Mixed Use			Industrial			PLI
	B-1 ¹	B-2	B-2M	B-3	UMU	REMU	NEHMU ₂	BP	M-1	M-2	
Personal and general service											
Animal shelters	—	—	—	—	—	—	C	—	S	S	—
Automobile washing establishment*	—	P	P	C	C	C	P	—	P	P	—
Daycare—Family, group, or center*	p ³	p ³	p ³	p ³	p ³	p ³	S/A	S/A ⁴	C/A ⁴	C/A ⁴	C
General service establishment*	P	P	P	P	P	P	P	C	P	C	—
Health and exercise establishments*	P S	P	P	P	P	P	P	C	P	P	—

Heavy service establishment*	—	P	P	C	P	C	P	—	P	P	—
Medical and dental offices, clinics and centers*	P ³ S	P ³	P ³	P ³	P ³	P ³	P	P	P	P	—
Mortuary	—	S	S	S	S	—	—	—	—	—	—
Offices*	P ³ S	P ³	P ³	P ³	P ³	P ³	P	P ⁵	P	P	—
Personal and convenience services*	P	P	P	P	P	P	A	A	A	A	—
Truck repair, washing, and fueling services	—	—	—	—	—	—	C	—	C	P	—
Temporary lodging											
Bed and breakfast*	—	—	—	—	—	P	C	—	—	—	—
Short Term Rental (Type 1)*	—	P	P	P	P	P	P	—	—	—	—
Short Term Rental (Type 2)*	—	P	P	P	P	P	P	—	—	—	—
Short Term Rental (Type 3)*	—	P	P	P	P	P	—	—	—	—	—
Hotel or motel*	—	P	P	P	P	P 40,000sf	P	—	P	P	—

Notes:

1. In the B-1 district, the footprint of individual buildings must not exceed 5,000 square feet.
2. Authorized uses in the NEHMU district include those uses allowed in the R-2 district (see table 38.310.030 for those not listed in this table).
3. Only lobbies for the applicable use are allowed on designated Storefront block frontages as set forth in section 38.510.020.
4. If primarily offering services to a single business or group of businesses within the same building or building complex.

5. Professional and business offices only.

Table 38.310.040.C**Permitted residential uses in commercial, mixed-use, and industrial zoning districts**

Table clarifications:

1. Uses: P = Principal uses; C = Conditional uses; S = Special uses; A = Accessory uses; — = Uses which are not permitted.

2. If a * appears after the use, then the use is defined in article 7.

3. Where a code section is referenced after the use, then the use is subject to the additional standards in that code section.

4. If a number appears in the box, then the use may be allowed subject to development condition(s) described in the footnotes immediately following the table. If there are multiple numbers, then the use is subject to all applicable development conditions.

Uses	Zoning Districts										
	Commercial				Mixed Use			Industrial			PLI
	B-1 ¹	B-2	B-2M	B-3	UMU	REMU	NEHMU ₂	BP	M-1	M-2	
General residential											
Accessory dwelling unit (38.360.040)	—	—	—	—	—	P	P	—	—	—	—
Apartments* ³	P ⁴	P ⁴	P ⁵	P ⁵	P	P	A ⁶	—	A ⁶	A ⁶	—
Apartment buildings* ³	—	C	P	P ⁵	P	P	—	—	—	—	—
Cottage housing* (38.360.110)	—	—	—	—	—	P	—	—	—	—	—
Single household dwelling (38.360.210)	—	—	—	—	—	P	P	—	—	—	—
Three household dwelling or four-household dwelling (38.360.210)	—	—	—	—	—	P	—	—	—	—	—
Townhouses* ³ & rowhouses* (38.360.240)	—	C ⁷	P ⁷	P ⁷	—	P ⁸	P	—	—	—	—

Two-household dwelling (38.360.210)	—	—	—	—	—	P	P	—	—	—	—
Live-work units*	P	P	P	P	P	P	P	—	—	—	—
Ground floor residential		C	P ⁵	P ⁵	—	—	—	—	—	—	—
Group residences											
Community residential facilities with eight or fewer residents*	P ⁴	P ^{4,5}	P ^{4,5}	P ^{4,5}	P ^{4,5}	P	P	—	—	—	—
Community residential facilities serving nine or more residents*	-	C	C	—	P	P	—	—	—	—	—
Cooperative household*	—	—	—	—	—	P	C	—	—	—	—
Group living (38.360.150)*	P ⁴	P ⁴	P ⁵	P ⁴	—	P	P	—	—	—	—
Lodging houses*	—	C	C ⁵	C ³	P	P	—	—	—	—	—
Transitional and emergency housing and related services (38.360.135)*	—	S	S	S	S	S	S	S	S	—	S

Notes:

1. In the B-1 district, the footprint of individual buildings must not exceed 5,000 square feet.
2. Authorized uses in the NEHMU district include those uses allowed in the R-2 district (some of which aren't addressed in this table).
3. May be subject to the provisions of chapter 38, article 380.
4. When located on the second or subsequent floor, or basement as defined in section 38.700.030 of this chapter. Lobbies associated with residential uses are allowed on the ground floor.
5. Non-residential uses (except for lobbies associated with residential uses) are required on the ground floor to a minimum depth of 20 feet from front building façade on properties adjacent to designated storefront streets per section 38.500.010.
6. For the purpose of this section, accessory means less than 50 percent of the gross floor area of the building, and not located on the ground floor.
7. Five or more attached units.
8. Five or fewer attached units.

Table 38.310.040.D**Permitted industrial and wholesale uses in commercial, mixed-use, and industrial zoning districts**

Table clarifications:											
1. Uses: P = Principal uses; C = Conditional uses; S = Special uses; A = Accessory uses; — = Uses which are not permitted.											
2. If a * appears after the use, then the use is defined in article 7.											
3. Where a code section is referenced after the use, then the use is subject to the additional standards in that code section.											
4. If a number appears in the box, then the use may be allowed subject to development condition(s) described in the footnotes immediately following the table. If there are multiple numbers, then the use is subject to all applicable development conditions.											
Uses	Zoning Districts										
	Commercial				Mixed Use			Industrial			PLI
	B-1 ¹	B-2	B-2M	B-3	UMU	REMU	NEHMU ²	BP	M-1	M-2	
Industrial and Wholesale											
Junk salvage or automobile reduction/salvage yards	—	—	—	—	—	—	—	—	—	C	—
Manufacturing, artisan*	P	P	P	P ³	P	P	P	P	P	P	—
Manufacturing (light)*	—	S	S	C ⁴	P ⁵	P ⁶	P	P ⁵	P ⁵	P	—
Manufacturing (moderate)*	—	C	C	—	—	—	P	P	P	P	—
Manufacturing (heavy)*	—	—	—	—	—	—	—	—	C	P	—
Outside storage	—	—	—	—	—	—	P	A	P	P	—
Refuse and recycling containers	A	A	A	A	A	A	A	A	A	A	—
Warehousing*	—	—	—	—	—	—	P	—	P	P	—
Warehousing, residential storage (mini warehousing) (38.360.180)*	—	—	—	—	—	—	P	—	P	P	—

Notes:

1. In the B-1 district, the footprint of individual buildings must not exceed 5,000 square feet.
2. Authorized uses in the NEHMU district include those uses allowed in the R-2 district (some of which aren't addressed in this table).
3. For uses in the downtown core as described below, a high volume, pedestrian-oriented use adjoining the building's entrance on Main Street is required. The downtown core includes those properties along Main Street from Grand to Rouse Avenues and to the alleys one-half block north and south from Main Street.
4. Except on the ground floor in the downtown core (those properties along Main Street from Grand to Rouse Avenues and to the alleys one-half block north and south from Main Street).
5. Completely enclosed within a building.
6. Limited to 5,000 square feet in gross floor area.

Additional uses for telecommunication facilities are provided for in division 38.370 of this article.

Table 38.310.040.E

Permitted public, regional, recreational, cultural and accessory uses in commercial, mixed-use, and industrial zoning districts

Table clarifications:

1. Uses: P = Principal uses; C = Conditional uses; S = Special uses; A = Accessory uses; — = Uses which are not permitted.
2. If a * appears after the use, then the use is defined in article 7.
3. Where a code section is referenced after the use, then the use is subject to the additional standards in that code section.
4. If a number appears in the box, then the use may be allowed subject to development condition(s) described in the footnotes immediately following the table. If there are multiple numbers, then the use is subject to all applicable development conditions.
5. Where a number with a "sf" reference appears below a P or C in the box, it means that the use is permitted or conditionally permitted up to the (maximum) listed square footage in gross building area.

Uses	Zoning Districts										
	Commercial				Mixed Use			Industrial			PLI
	B-1 ¹	B-2	B-2M	B-3	UMU	REMU	NEHMU ²	BP	M-1	M-2	
Public, educational, government and regional											
Business, trade, technical or vocational school	—	P	P	P ³	P	P	P	P	P	P	—
Cemeteries*	—	—	—	—	—	—	—	—	—	—	P

Essential services (38.360.140)											
• Type I	A	A	A	A	A	A	A	A	A	A	A
• Type II	P	P	P	P	P	P	P	P	P	P	P
• Type III	C ⁴	P	P	C ⁴	C	C ⁴	P C	P	P	P	P
Meeting hall	-	P	P	P	P	P	—	—	—	—	—
Production manufacturing and generation facilities (electric and gas)	—	—	—	—	—	—	—	—	—	S	—
Public and nonprofit, quasi- public institutions, e.g. universities, elementary junior and senior high schools and hospitals	—	—	—	—	—	—	—	—	—	—	P
Public buildings and publicly owned land used for parks, playgrounds and open space	P—	P—	P	P	P	P	P	P	P	P	P
Solid waste transfer station	—	—	—	—	—	—	—	—	—	C	P
Solid waste landfill	—	—	—	—	—	—	—	—	—	—	C
Truck, bus and rail terminal facilities	—	—	—	—	—	—	P	—	P	P	—
Recreational, cultural and entertainment											
Adult business (38.360.050)*	—	—	—	—	—	—	—	—	P	P	—
Amusement and recreational facilities	—	P	P	—	P	—	P	—	P	C	—
Arts and entertainment center*	P	P	P	P	P	P 12,000sf	—	—	—	—	—
Casinos	—	—	—	—	—	—	—	—	C	C	—

Community centers (38.360.080)*	P	P	P	P	P	P	P	P	P	P	P
Accessory and/or other uses											
Agricultural uses*	—	—	—	—	—	—	—	—	—	P	—
Home-based businesses (38.360.140)*	A	A	A	A	A	A	A	A	A	A	—
Other buildings and structures (typically accessory to permitted uses)	A	A	A	A	A	A	A	A	A	A	A
Temporary buildings and yards incidental to ongoing construction work	—	—	—	—	—	—	A	A	A	A	—
Any use, except adult businesses and casinos, approved as part of a planned unit development subject to the provisions of division 38.430	C	C	C	C	C	C	C	C ⁵	C ⁵	C ⁵	—

Notes:

1. In the B-1 district, the footprint of individual buildings must not exceed 5,000 square feet.
2. Authorized uses in the NEHMu district include those uses allowed in the R-2 district (some of which aren't addressed in this table).
3. Only lobbies for the applicable use are allowed on designed Storefront block frontages as set forth in section 38.510.020. Otherwise, the applicable use is permitted when located on the second or subsequent floor, or basement, as defined in section 38.700.030 of this chapter.
4. Only allowed when service may not be provided from an alternative site or a less intensive installation or set of installations.
5. Also excludes retail, large scale uses.

Additional uses for telecommunication facilities are provided for in division 38.370 of this article.

APPENDIX D - OWNER INFORMATION AND REVIEWING STAFF

Owner: Gustav Dose, 414 N Plum Ave, Bozeman, MT 59715
Applicant Allied Engineering Services, In. (Rory Romey or Jessi Ellingsen), 32
Discovery Drive, Bozeman, MT 59718
Representative: Allied Engineering Services, In. (Rory Romey or Jessi Ellingsen), 32
Discovery Drive, Bozeman, MT 59718
Report By: Lynn Hyde, Development Review Planner

FISCAL EFFECTS

No fiscal effects have been identified. No presently budgeted funds will be changed by this Zone Map Amendment.

ATTACHMENTS

The full application and file of record can be viewed at the Community Development Department at 20 E. Olive Street, Bozeman, MT 59715 and electronically via link below.

<https://weblink.bozeman.net/WebLink/Browse.aspx?id=239937&dbid=0&repo=BOZEMAN>

DEVELOPMENT REVIEW APPLICATION

PROJECT IMAGE



PROJECT INFORMATION

Project Name: Mountains Walking Zone Map Amendment

Project Type(s): Zone Map Amendment

Street Address: 414 N Plum Ave and 422 N Plum Ave, Bozeman, MT 59715

Legal Description: NORTHERN PACIFIC ADD, S07, T02 S, R06E, Block 50, Lot 18-20, Plat C-23
and NORTHERN PACIFIC ADD, S07, T02 S, R06 E, Lot 21A, PLAT C-23-A33 (IN BLK 50 & 53)

Description of Project: Proposed ZMA for the existing Mountains Walking Brewery lot and the lot just south of the brewery to be changed to B-2M.
Mountains Walking wishes to build a new building on the lot just south of the existing brewery to expand their operations and provide employee housing.

Current Zoning: M-1 (existing brewery lot) and R-2 (south lot)

Gross Lot Area: 0.244 acres (south lot) and 0.873 acres (existing brewery lot)

Block Frontage(s): N/A

Number of Buildings: 1 ex. single-family home on south lot, 1 ex. commercial building on north lot.

Type and Number of Dwellings: Existing single-family residence (1), Ex. Commercial Bldg (1)

Building Size(s): Single-family home: 1196 sq ft, Commercial Bldg: 6732 sq ft (from Cadastral)

Building Height(s): 1 story

Number of Parking Spaces: N/A

Affordable Housing (Y/N): N/A

Cash-in-lieu Parkland (Y/N): N/A

Departure/Deviation Request (Y/N): N/A

VICINITY MAP



SPECIAL DISTRICTS

Overlay District: ☒ Neighborhood Conservation ☐ None

Urban Renewal District: ☐ Downtown ☐ North 7th Avenue ☐ Northeast ☐ North Park ☒ None

PROPERTY OWNERName: Gustav DoseFull Address: 414 N Plum Ave, Bozeman, MT 59715Email: gus@mountainwalking.comPhone: 360-220-0563**APPLICANT**Name: Allied Engineering Services, Inc. (Rory Romey or Jessi Ellingsen)Full Address: 32 Discovery Drive, Bozeman, MT 59718Email: rromey@alliedengineering.com, jellingsen@alliedengineering.comPhone: (406) 582-0221**REPRESENTATIVE**Name: N/AFull Address: N/AEmail: N/APhone: N/A**CERTIFICATIONS AND SIGNATURES**

This application must be signed by both the applicant(s) and the property owner(s) (if different) for all application types before the submittal will be accepted. The only exception to this is an informal review application that may be signed by the applicant(s) only.

As indicated by the signature(s) below, the applicant(s) and property owner(s) submit this application for review under the terms and provisions of the Bozeman Municipal Code. It is further indicated that any work undertaken to complete a development approved by the City of Bozeman shall be in conformance with the requirements of the Bozeman Municipal Code and any special conditions established by the approval authority. I acknowledge that the City has an Impact Fee Program and impact fees may be assessed for my project. Further, I agree to grant City personnel and other review agency representative's access to the subject site during the course of the review process (Section 38.200.050, BMC). I (We) hereby certify that the above information is true and correct to the best of my (our) knowledge.

Certification of Completion and Compliance – I understand that conditions of approval may be applied to the application and that I will comply with any conditions of approval or make necessary corrections to the application materials in order to comply with municipal code provisions.

Statement of Intent to Construct According to the Final Plan – I acknowledge that construction not in compliance with the approved final plan may result in delays of occupancy or costs to correct noncompliance.

Applicant Signature: Printed Name: Rory RomeyOwner Signature: Printed Name: Gustav Dose

Representative Signature: _____

Printed Name: N/A

APPLICATION TYPE

Check all that apply

	FORM		FORM
☐ 1. Administrative Interpretation Appeal	AIA	☐ 16. PUD Preliminary Plan	PUDP
☐ 2. Administrative Project Decision Appeal	APA	☐ 17. PUD Final Plan	PUDFP
☐ 3. Annexation and Initial Zoning	ANNX	☐ 18. Reasonable Accommodation	RA
☐ 4. Commercial/Nonresidential COA	CCOA	☐ 19. Site Plan	SP
☐ 5. Comprehensive Sign Plan	CSP	☐ 20. Special Use Permit	SUP
☐ 6. Condominium Review	CR	☐ 21. Special Temporary Use Permit	STUP
☐ 7. Conditional Use Permit	CUP	☐ 22. Subdivision Exemption	SE
☐ 8. Extension to Approved Plan	EXT	☐ 23. Subdivision Pre-Application	PA
☐ 9. Growth Policy Amendment	GPA	☐ 24. Subdivision Preliminary Plan	PP
☐ 10. Informal Review	INF	☐ 25. Subdivision Final Plat	FP
☐ 11. Master Site Plan	MSP	☐ 26. Wetland Review	WR
☐ 12. Modification/Plan Amendment	MOD	☒ 27. Zone Map Amendment	ZMA
☐ 13. Neighborhood/Residential COA	NCOA	☐ 28. Zone Text Amendment	ZTA
☐ 14. Pre-application Consultation	None	☐ 29. Zoning/Subdivision Variance	Z/SVAR
☐ 15. PUD Concept Plan	PUDC	☐ 30. Zoning Deviation/Departure	None
		☐ 31. Other: _____	

REQUIRED FORMS

Varies by project type

APPLICATION FEE

Varies by project type

CONTACT US

Alfred M. Stiff Professional Building
20 East Olive Street
Bozeman, MT 59715

phone 406-582-2260
fax 406-582-2263
planning@bozeman.net
www.bozeman.net/planning

Zone Map Amendment Project Narrative

Project Background Information

The subject properties to be rezoned are located at 414 North Plum Avenue and 422 North Plum Avenue. The site(s) includes the existing Mountains Walking Brewery and the lot directly adjacent to the south of the existing brewery. The existing brewery is currently zoned as M-1. The lot just south of the existing brewery is currently zoned R-2 and has an existing single-family residence on the property. The future improvements anticipate construction of a new building on the south lot to expand the brewery space and create employee housing on the second floor of the new building. Additional parking is anticipated to be provided on the subject property for overflow brewery parking.

a) Is the new zoning designated in accordance with the growth policy? How?

Yes, the new zoning designation (B-2M) is in accordance with the growth policy. The City of Bozeman recently updated their growth plan to outline future land uses. In the growth plan, the current brewery has a land use designation of Community Commercial Mixed-Use. We are submitting a growth policy amendment concurrently with this zone map amendment for the lot just south of the current brewery to propose amending the land use from Urban Neighborhood to Community Commercial Mixed-Use as well. This growth policy amendment would keep the future land use designation for both subject properties consistent (Community Commercial Mixed-Use). Under the updated growth plan, the City of Bozeman correlates certain zoning designations with each future land use category. In this case, according to Page 58 of the Bozeman 2020 Community Plan, a zoning designation of B-2M is permitted under Community Commercial Mixed-Use land use. Therefore, the new zoning designation (B-2M) is in compliance with the City of Bozeman's growth policy. In addition, when looking at the big picture for the future land use of the area, the City of Bozeman is trying to move away from industrial use and shift more towards commercial and residential mixed use. The proposed development and associated zone map amendment both fit very nicely with the direction the City of Bozeman wants to move in the future regarding land use of this area. Overall, the new zoning designation and proposed work-live development align very well with the City of Bozeman's growth policy by promoting commercial and residential mixed use.

b) Will the new zoning secure safety from fire and other dangers? How?

Yes, the new zoning will secure safety from fire and other dangers. Municipal water and sewer systems will provide adequate water and sewer service for the proposed development. This will ensure the development has clean drinking water and proper sewage disposal, both important factors in protecting the public's health and safety. In regards to fire protection, Test Hydrant #45 and two flow hydrants, located on the corner of E. Peach St. and Ida Ave, are in close proximity to the brewery and are able to provide adequate fire flow if needed (Reference: Water Facility Plan Update 2017 - Appendix C -

Fire Flow Test Locations Within the South Pressure Zone). According to Table 5.7 in the Water Facility Plan, a zone designation of B-2 requires 3,000 gpm of flow for 3 hours to achieve adequate fire protection. According to Figure 6-8 of the Water Facility Plan, the available fire flow for the proposed development area is 4,000-5,000 gpm, which confirms the hydrants have adequate capacity to extinguish a fire. Additionally, access to the site is not changing. Emergency services will be able to access the site using the newly constructed principal arterial Rouse Ave, and other collector streets such as Peach St and Broadway Ave.

c) Will the new zoning promote public health, safety and welfare? How?

Yes, the new zoning will promote public health, safety, and welfare. The proposed improvements will meet the standards for B-2M and should be zoned as such to prevent the creation of nuisances by non-compliance with the standard. As stated in answer (b), the proposed development will be tied into the City's municipal water, sewer, and garbage collection systems. These systems will ensure that the brewery expansion is provided with clean drinking water and proper sewage/garbage disposal which are all important factors in protecting the public's health and safety. The proposed development integrates residential and commercial land use activities by allowing employees to live and work in the same building. On-site employee housing decreases the need for motorized commuting vehicles, leading to reduced street congestion, traffic accidents, and air pollution. Air pollution is linked to a heightened risk for many serious health conditions so reducing carbon emissions is a large step in the right direction for protecting the public's health. On-site employee housing will also help provide stable and affordable housing for staff, which is becoming increasingly challenging in Bozeman due to demand and recently passed legislature. Additionally, the new zoning designation promotes redevelopment by converting the existing residential property into a multi-use lot. Multi-use properties help encourage diverse uses of land in very close proximity to one another, which ultimately prevents overcrowding of land with unnecessary structures and in the long run promotes the preservation of open space. In this case, the land will be used for housing, business, and community engagement. In the event of an emergency, the new zoning will maintain emergency service access via Rouse Ave, Peach St, and Broadway Ave. Furthermore, the existing brewery and proposed expansion act as a gathering area that brings the community together. The proposed development will promote the wellbeing of the community by building upon Bozeman's love of breweries and fitting well into Bozeman's culture. Lastly, the proposed development minimizes cost to local citizens by connecting to the City of Bozeman's existing systems, condensing garbage services, providing jobs, promoting walking and biking, and reducing housing and commuting costs for employees. Overall, the new zoning will promote public health, safety, and welfare by being in accord with Bozeman's growth policy.

- d) Will the new zoning facilitate the adequate provisions of transportation, water, sewer, schools, parks and other public requirements? How?

Yes, the new zoning will provide adequate water, sewer, and transportation. These services will be provided by the City's existing municipal system. Figure 6-7 in the Water Facility Plan details the existing water distribution system and shows that the area surrounding the proposed development has an acceptable level of head loss, indicating there is adequate capacity to provide water for the development. As discussed in answer (b), adequate fire flow will be provided by Hydrant #45. Adequate sewer will also be provided by the City's municipal system. According to the City's design criteria, sewer pipes that have a depth of flow to pipe diameter (d/D) ratio exceeding 0.75 are considered potentially deficient. Figure 4-8 of the Wastewater Collection Facilities Plan Update (2015) shows that the sewer pipes servicing the proposed development and surrounding area all have a depth of flow to pipe diameter (d/D) ratio less than 0.75, indicating that there is adequate wastewater capacity for proper sewage disposal. Transportation access will remain unchanged. Access is anticipated to be primarily accomplished via principal arterial Rouse Ave and collector streets Peach St and Broadway Ave, but can also be accessed by other local streets such as Plum Ave. The brewery's proximity to residential neighborhoods also encourages walking and biking as modes of transportation. Parking improvements on the subject property are anticipated to serve the site and provide overflow parking for the existing brewery. Lastly, the proposed development and new zoning will meet all setbacks and other requirements.

- e) Will the new zoning provide reasonable provision of adequate light and air? How?

Yes, the new zoning provides reasonable provision of adequate light and air. The brewery's proximity to residential neighborhoods promotes eco-friendly transportation methods like walking and biking, while on-site employee housing reduces employee commutes. Both its location and mixed-use nature will help reduce congestion on roads and the air pollution that results from motorized traffic. Adequate lighting will be provided within the building using a combination of natural and artificial lighting. Maximizing the use of natural light within the new building will help minimize energy usage, ultimately reducing the associated carbon emissions and costs. Minimizing energy consumption and motorized traffic helps improve outdoor air quality. Avoiding paints and finishes containing Volatile Organic Compounds (VOCs) will improve indoor air quality. In addition, the parking lot will be sufficiently lit per the COB Development Code. Providing adequate lighting helps protect the safety of customers, employees, and goods/materials.

- f) Will the new zoning have an effect on motorized and non-motorized transportation system? How?

Yes, the new zoning will promote the use of non-motorized transportation methods like walking and biking because of its close proximity to residential areas. Utilizing a mixed-use work-live scenario reduces employee commutes. The Gallagator Trail also provides an eco-friendly route from the outskirts of town to the general vicinity. Additionally, future improvements anticipate a parking lot serving the site and providing overflow parking for the brewery.

- g) Does the new zoning promote compatible urban growth? How?

Yes, the new zoning promotes compatible urban growth. The proposed brewery expansion is redeveloping land that is already being used for residential purposes rather than creating urban sprawl on the outskirts of town. The proposed development also increases the density of the residential housing on the south lot from a single-family home to multiple living units for employees. The existing zoning (R-2 for the south lot, M-1 for the existing brewery lot) is being repurposed for a mixed community business use (B-2M). Moreover, the multi-use nature of the proposed improvements promotes diverse uses of land within close proximity to one another. In the end, this reduces the need for people to travel long distances for work, groceries, and recreation which ultimately diminishes the carbon emissions associated with travel.

- h) Does the new zoning promote the character of the district? How?

Yes, the new zoning (B-2M) promotes the character of the district by allowing for residential and commercial mixed-use buildings. The City of Bozeman is trying to move away from industrial use for this area and move towards a Community Commercial Mixed Use instead. The proposed development and associated new zoning both align very nicely with the City's plan for the future of this area by combining Mountains Walking business operations with employee housing. The new building expands brewery operations on the first floor and provides several living units for employees on the upper floor. The mixed-use nature of the proposed development and the B-2M zoning designation also help provide a smooth transition from the residential neighborhood located south/west of the site to the industrial area located north/east of the site. Lastly, the district of town around Mountains Walking already features several other mixed-use buildings so creating another live-work building would fit in nicely with the character of that district of town.

- i) Does the new zoning address the affected area's peculiar suitability for particular uses? How?

Yes, the new zoning addresses the affected area's suitability for particular uses. The anticipated development will retain the residential component by including on-site employee housing on the upper level of the new building. However, the proposed development will also build upon the commercial component by expanding the current brewery operations and increasing business. The proposed development will be more sustainable, more robust, and more diverse in its uses.

- j) Was the new zoning adopted with a view of conserving the values of building? How?

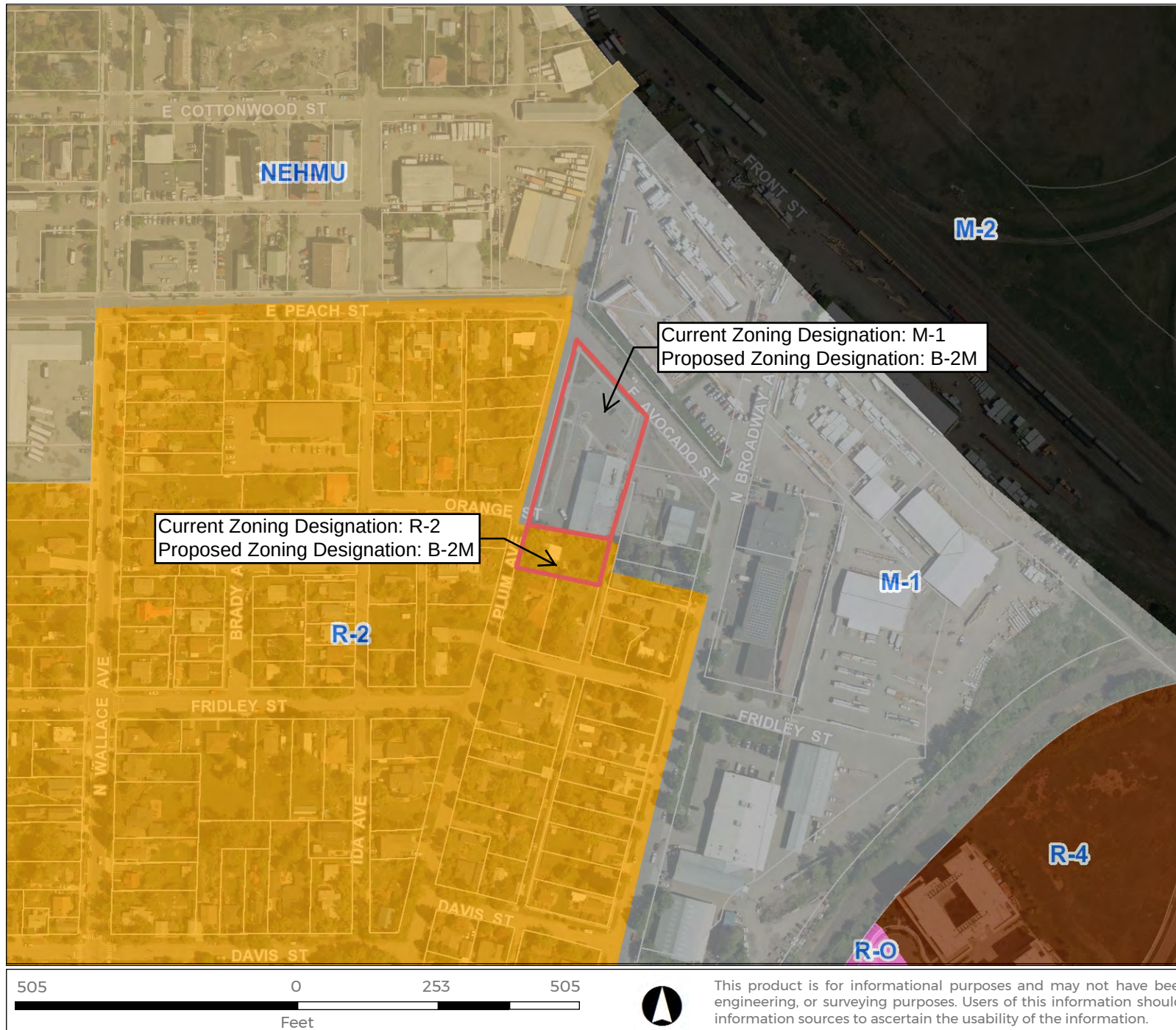
Yes, the new zoning was adopted with a view of conserving the values of building. The proposed multi-use development combines business and housing all into the same location which makes the building inherently more versatile and valuable. Additionally, the new development would aim to maintain and enhance the current property through redevelopment, rather than starting brand new construction on the outskirts of town. Finally, the work-live building also helps blend the surrounding urban neighborhoods into the commercial sector more smoothly.

- k) Does the new zoning encourage the most appropriate use of land throughout the jurisdictional area?

Yes, the new zoning encourages the most appropriate use of land throughout the jurisdictional area. The City of Bozeman wants to push this area away from industrial use towards commercial and residential mixed-use. The current brewery and the surrounding area to the north/east fall into the Community Commercial Mixed-Use future land use designation. A zoning designation of B-2M is permitted under Community Commercial Mixed-Use and encourages mixed-use business buildings. The proposed development combines business operations and employee housing all into one which aligns very nicely with the City of Bozeman's goals for the future land use of the area. The multi-use nature of the new building gets the greatest number of uses out of the same plot of land.

Supporting Figures
for
Project Narrative

BOZEMAN^{MT} Zoning Designations



Legend

Street Names



City Limits

Location

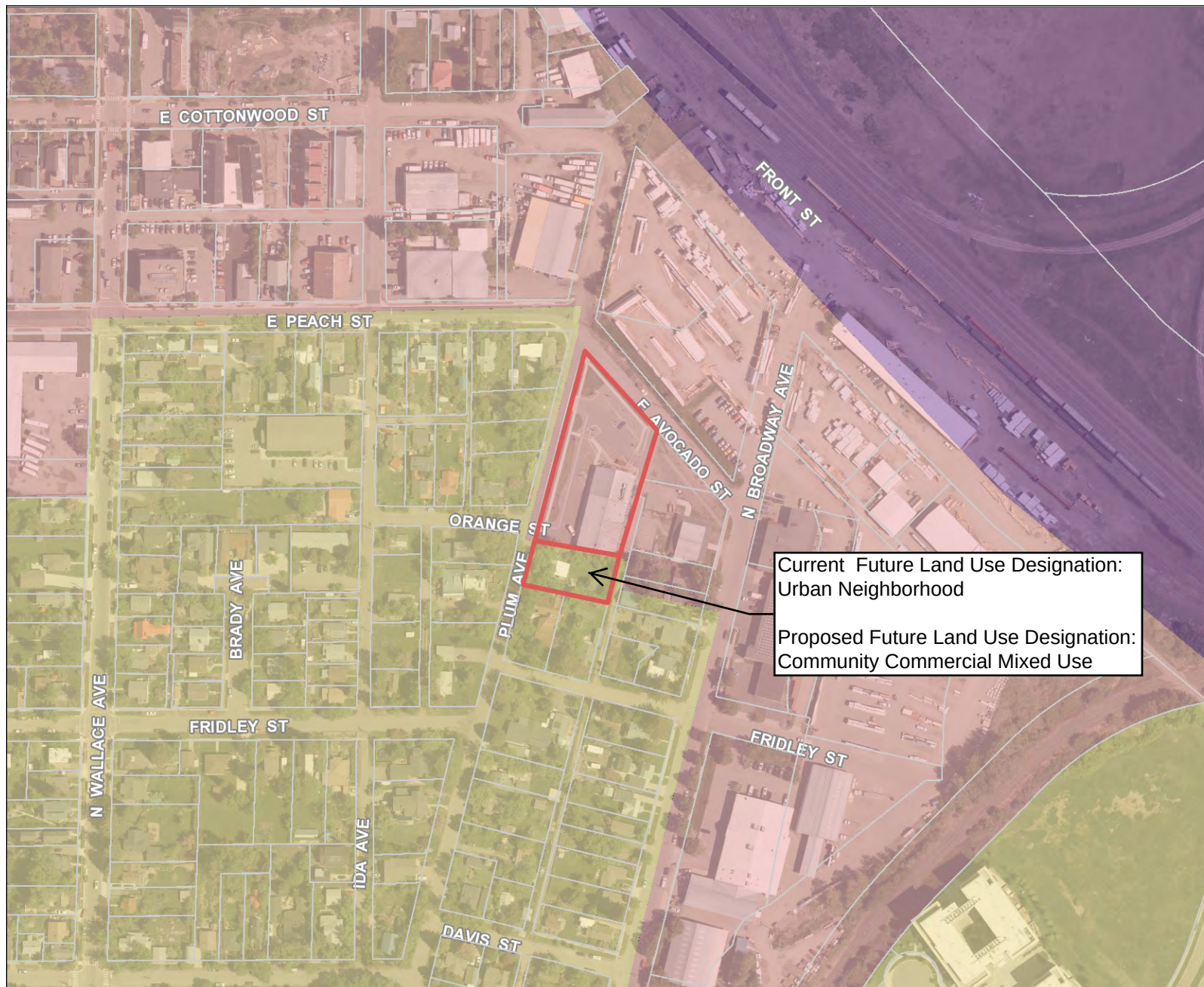


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Legend

Street Names

Community Plan Future Land Use

- Urban Neighborhood
- Traditional Core
- Residential Mixed Use
- Regional Commercial and Services
- Community Commercial Mixed Use
- Maker Space Mixed Use
- Industrial
- Public Institutions
- Parks and Open Lands
- No City Services



City Limits

Location



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Date: 05/24/2021

505 0 253 505

Feet



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CORRELATION WITH ZONING

The zoning districts which implement each future land use category are shown in relation to each future land use category in chart below. For zoning district intent, see [38.300](#). For permitted uses, see [38.310](#).

Urban Neighborhood

R-S, R-1, R-2, R-3, R-4, R-5, R-O, REMU

RMH, B-1, PLI



Residential Mixed Use

R-3, R-4, R-5, R-O, REMU, B-1, PLI



Community Commercial Mixed Use

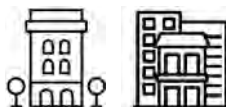
R-O, REMU, B-1, B-2, B-2M, UMU, NEHMU

PLI



Traditional Core

B-2M, B-3, PLI



Regional Commercial & Services

B-2, B-2M, UMU, PLI



Maker Space Mixed Use

BP, M-1, NEHMU, PLI



Industrial

M-1, M-2, BP, PLI



Parks & Open Lands

PLI



Public Institutions

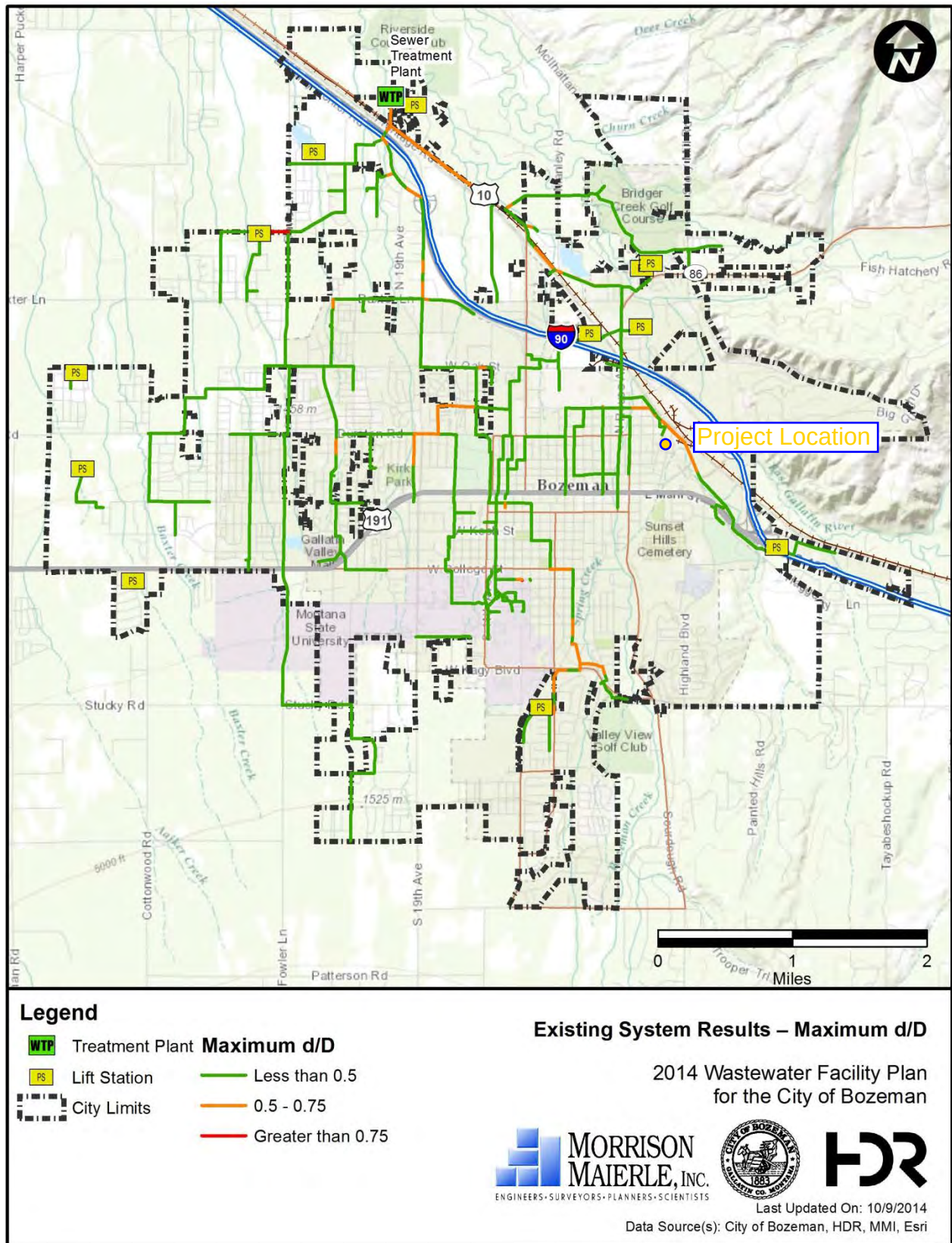
PLI



LEGEND

-  Low Density Housing
-  Moderate Density Housing
-  Medium Density Housing
-  High Density Housing & Mixed Use
-  Neighborhood & Community Commercial & Business
-  Office
-  Downtown Business & Mixed Use
-  Large Commercial & Business
-  Maker Space
-  Manufacturing & Artisan
-  Public Lands, Parks, & Open Space
-  Educational Facilities
-  Civic Buildings & Institutions

Figure 4-8 – Existing System Results – Maximum d/D



PS

Pear St Pump Station

PS

Knoll Pump Station

Clearwell

Hilltop Tank

Lyman Tank

Sourdough Tank

Existing PRV

Pressure Zones

GALLATIN

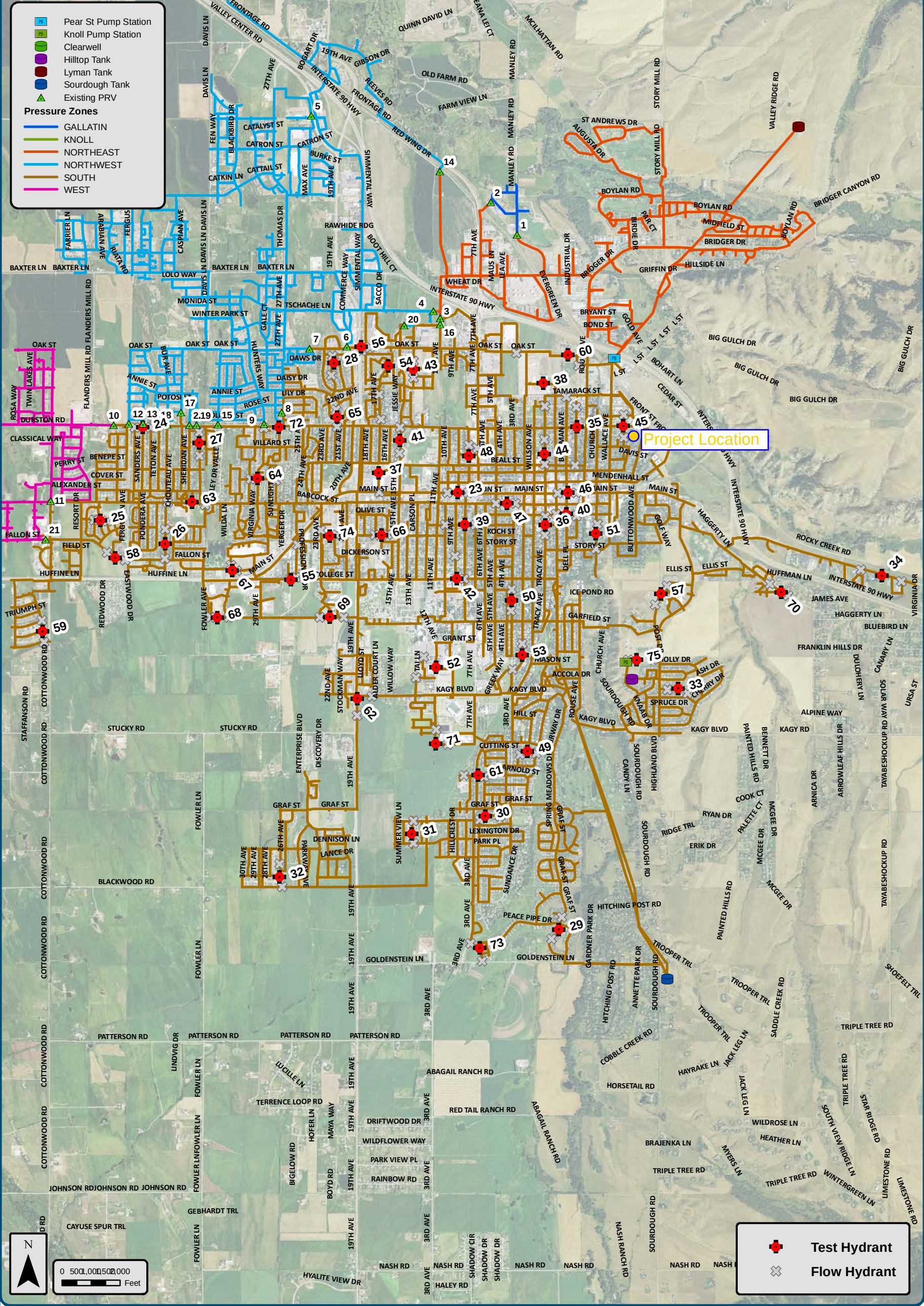
KNOLL

NORTHEAST

NORTHWEST

SOUTH

WEST



Water Distribution System

Fire Flow Test Locations

Within the South Pressure Zone



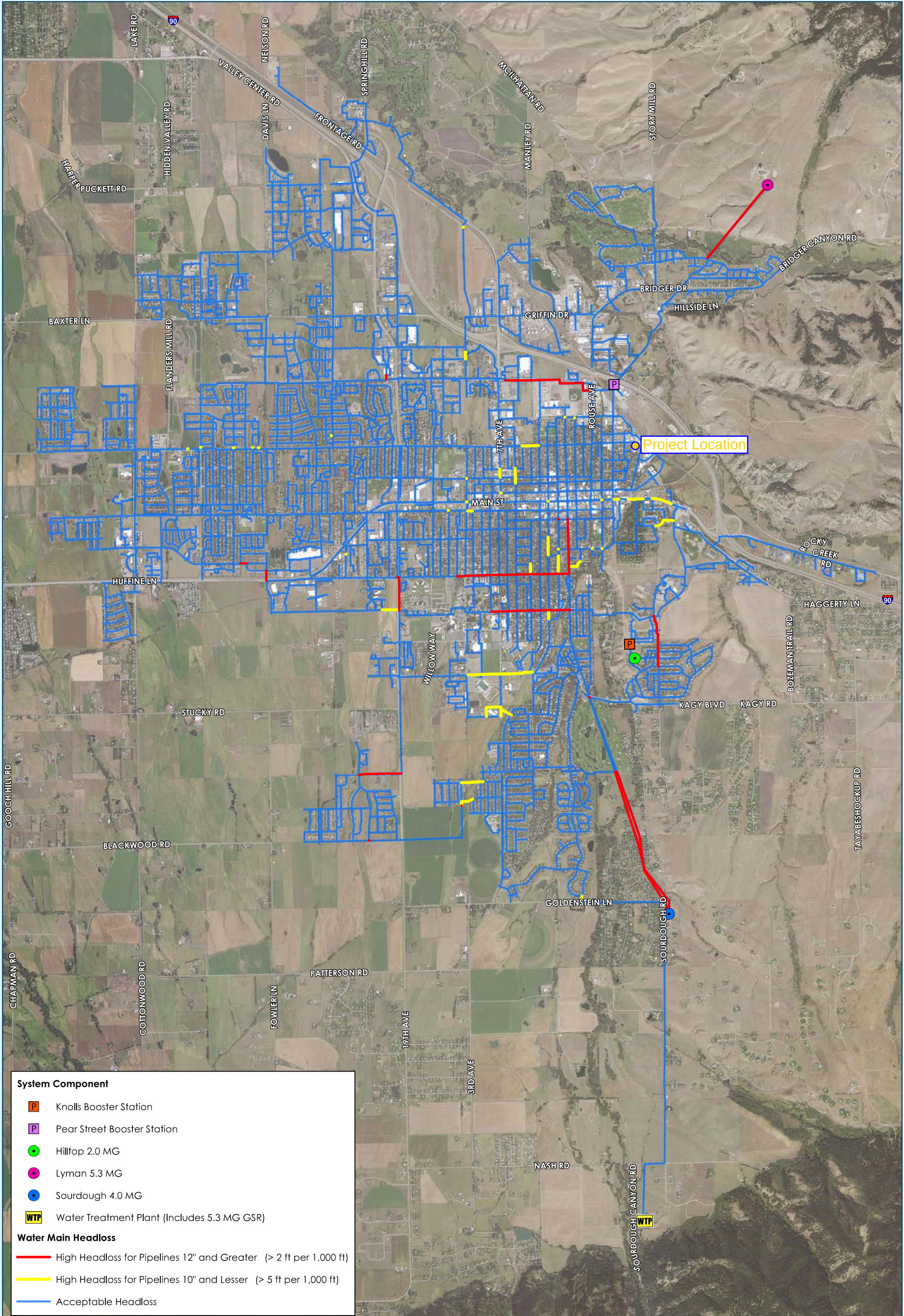


Figure 6-7: Existing Water Distribution System
Maximum Headloss during Maximum Day Demand (11.7 MGD)
City of Bozeman Water Facility Plan Update



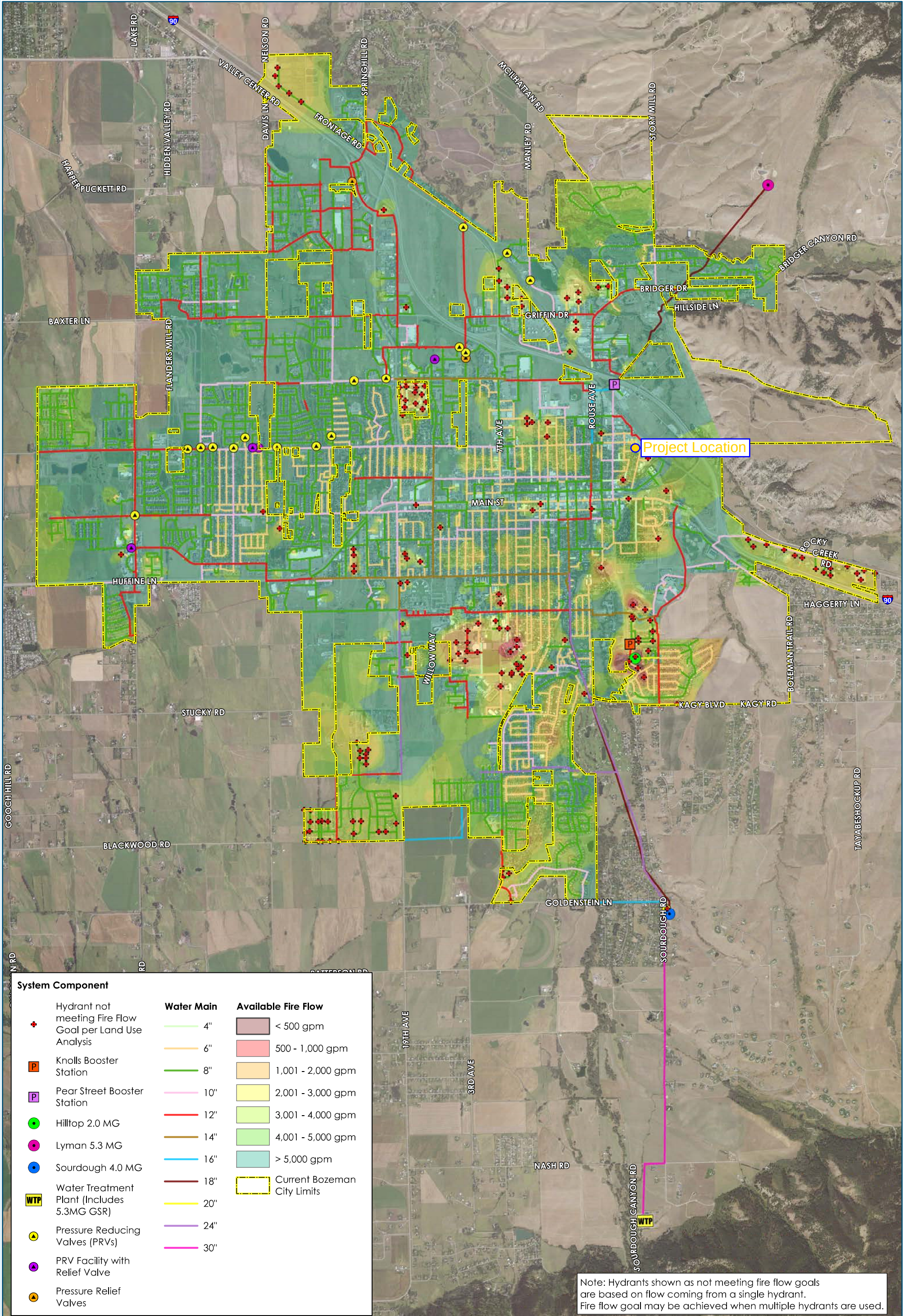


Figure 6-8: Existing Water Distribution System
Available Fire Flow during Maximum Day Demand (11.7 MGD)
City of Bozeman Water Facility Plan Update

0 0.25 0.5 0.75 1 Miles

C:\Data\Projects\Bozeman\05097-2013-001\100_Geomatic_Services\GIS\Figure 6.8 Existing Water Distribution System.aprx, 11/20/2013, 11:00 AM, C:\Program Files\ArcGIS\ArcMap\bin\ArcMap.exe, 11/20/2013, 11:00 AM, C:\Program Files\ArcGIS\ArcMap\bin\ArcMap.exe



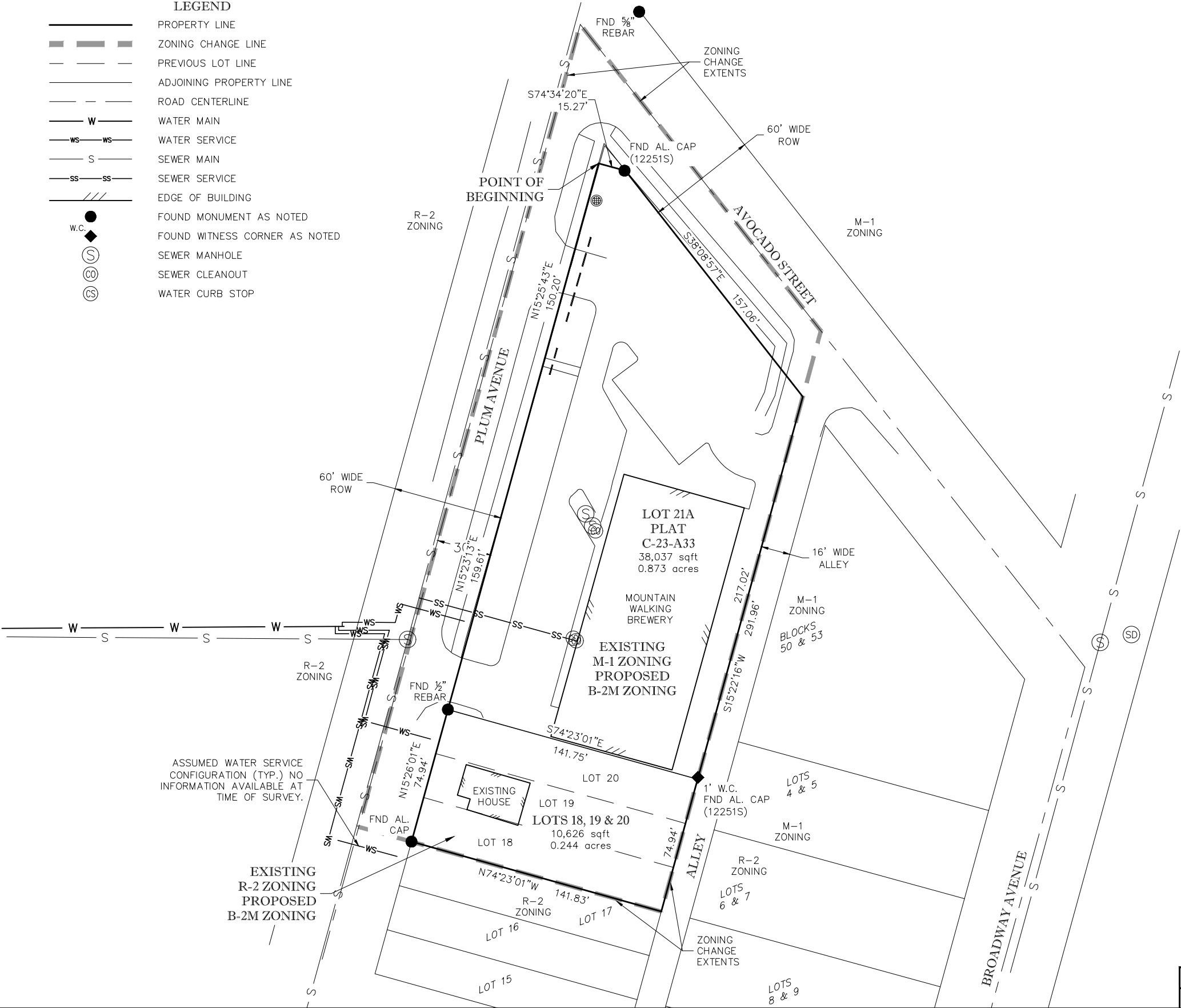
Zoning District	Category	Flow (gpm)	Duration (hrs)	No. of Fires	Total Demand (gal)
Residential Use					
R-4	Residential High Density	3,000	3	1	540,000
R-3	Residential Medium Density	3,000	3	1	540,000
R-2	Residential, Single-family Medium Density	1,500	2	1	180,000
R-1	Residential, Single-family Low Density	1,500	2	1	120,000
PU	Public Lands and Institutions	3,000	3	1	540,000
Commercial Use					
B-1	Neighborhood Business	3,000	3	1	540,000
B-2	Community Business	3,000	3	1	540,000
B-3	Central Business	4,000	4	1	960,000
Industrial Use					
M-1	Light Manufacturing	4,000	4	1	960,000
M-2	Manufacturing and Industrial	5,000	4	1	1,200,000

Table 5.7: Fire Flow Availability Guidelines

ZONE MAP AMENDMENT
BEING LOTS 18, 19, AND 20, BLOCK 50 OF THE NORTHERN PACIFIC ADDITION PLAT C-23 AND LOT 21A OF THE AMENDED PLAT OF LOTS 21-24 IN BLOCK 50 & LOTS 24-29 IN BLOCK 23 & PORTIONS OF VACATED ORANGE STREET IN NORTHERN PACIFIC ADDITION TO THE CITY OF BOZEMAN,
LOCATED IN THE NORTHEAST ONE-QUARTER OF SECTION 7,
TOWNSHIP 2 SOUTH, RANGE 6 EAST, PRINCIPAL MERIDIAN MONTANA,
CITY OF BOZEMAN, GALLATIN COUNTY, MONTANA

LEGEND

	PROPERTY LINE
	ZONING CHANGE LINE
	PREVIOUS LOT LINE
	ADJOINING PROPERTY LINE
	ROAD CENTERLINE
	WATER MAIN
	WATER SERVICE
	SEWER MAIN
	SEWER SERVICE
	EDGE OF BUILDING
	FOUND MONUMENT AS NOTED
	FOUND WITNESS CORNER AS NOTED
	SEWER MANHOLE
	SEWER CLEANOUT
	WATER CURB STOP



LEGAL DESCRIPTION

Lots 18, 19 and 20, Block 50 of the Northern Pacific Addition and Lots 21–24 in Block 50 & Lots 24–29 in Block 53 & Portions of Vacated Orange Street in Northern Pacific Addition to the City of Bozeman, located in the Northeast One–Quarter of Section 7, Township 2 South, Range 6 East, Principal Meridian Montana, City of Bozeman, Gallatin County, Montana and being more particularly described as follows;

Beginning at the Northwest Corner of said Lot 21A, said point being on the easterly Right–of–Way of Plum Avenue; thence South 74°34'20" East a distance of 15.27 feet, to a point on the southerly Right–of–Way of Avocado Street; thence South 38°08'57" East along the southerly Right–of–Way of Avocado Street, a distance of 157.06 feet to the Northeast Corner of said Lot 21A; thence South 15°22'16" West along the east line of said Lots 18, 19, 20 and 21A, a distance of 291.96 feet to the Southeast Corner of said Lot 18; thence North 74°23'01" West along the south line of said Lot 18 a distance of 141.83 feet, to the Southwest Corner of said Lot 18 said point being on the easterly Right–of–Way of Plum Avenue; thence North 15°26'01" East along the west line of said Lots 18, 19 and 20 and the easterly Right–of–Way of Plum Avenue, a distance of 74.94 feet to the Southwest Corner of said Lot 21A; thence along the west line of said Lot 21A and the easterly Right–of–Way of Plum Avenue through the following courses; North 15°23'13" East, a distance of 159.61 feet; North 15°25'43" East, a distance of 150.20 feet to the point of beginning.

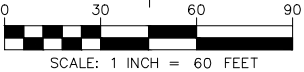
Said tract of land being 48,663 sqft/1.12 acres.

BASIS OF BEARING, COORDINATES

BEARINGS SHOWN ARE MONTANA STATE PLANE GRID. DISTANCES ARE GROUND DISTANCES IN INTERNATIONAL FEET.

MONTANA COORDINATE SYSTEM NAD 83
HORIZONTAL DATUM: BOZEMAN CONTINUOUSLY OPERATING
REFERENCE STATION
PID DESIGNATION
DK7547 MTSU BOZEMAN CORS ARP

MONTANA STATE PLANE NAD 83(2011)(EPOCH: 2010.0000)
NORTH LATITUDE 45°39'40.37689"
WEST LONGITUDE 111°02'42.00898"
UNITS: INTERNATIONAL FEET
Convergence angle: –01°07'49"



1/4	Sec.	T.	R.
	7	2S	6E

32 DISCOVERY DRIVE
BOZEMAN, MT 59718
PHONE (406) 562-0221
FAX (406) 562-5770
www.alliedengineering.com

Civil Engineering
Geotechnical Engineering
Land Surveying



PROJECT SURVEYOR: GLF	SHEET 1 OF 1
DRAWN BY: KWO	PROJECT No. 20–144
REVIEWED BY: GLF	\Survey\Z–BND.dwg
DATE: 08/02/21	



Street Names

 City Limits

A map of the Durston area in Gallatin County, Montana. The map shows Durston as a red square, situated near the intersection of N. 10th Ave. and N. 11th Ave. Other roads shown include E-Valley Center Rd, Huffine Ln, Colburn Rd, and Bozeman Trail Rd. The map also indicates the locations of Helena and Bozeman, and the Gallatin River.

Created By:

Created For:

Date: 05/24/2021

This product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

Memorandum

REPORT TO: City Commission

FROM: Kristin Donald, Finance Director
Kaitlin Johnson, Budget Analyst

SUBJECT: FY23 - FY27 Capital Improvement Plan - Public Works Funds

MEETING DATE: November 23, 2021

AGENDA ITEM TYPE: Finance

RECOMMENDATION: Listen to the presentation, ask questions and provide comments.

STRATEGIC PLAN: 7.5. Funding and Delivery of City Services: Use equitable and sustainable sources of funding for appropriate City services, and deliver them in a lean and efficient manner.

BACKGROUND: We are proud to present to you the City of Bozeman, 2023 - 2027 Capital Improvement Plan. This five-year Capital Improvement Plan (CIP) is a commitment to improving and maintaining the City of Bozeman's facilities, parks and roads to aid in the vision of Bozeman being the most livable place. The staff have taken a lot of time and care in preparing this document. The proposed plan can be found on the City's website Under Finance and select Budget and Financial Reports at:

<https://www.bozeman.net/government/finance/budget-and-financial-reports>

One of the primary responsibilities of local government is to properly preserve, maintain, and improve a community's stock of buildings, streets, parks, water and sewer lines, and equipment. Planning for these capital improvements is a matter of prudent financial management, as well as sound development practice.

Each year, we begin the process of updating our Capital Improvements Plan in September. Finance works in coordination with City departments and the City manager's Office to recommend projects that can be undertaken within the funds available. The process is completed when the Commission adopts a final budget with capital items approved, usually in the following June. The CIP includes any planned expenditure of \$25,000 or greater, that results in the acquisition of an asset with a useful life of 3 years or more, with a few

exceptions such as large consulting services type projects.

The plan is in coordination with the City's many long range plans such the Transpiration Plan and the Water and Sewer Treatment and Collection Plan. Most of the City's long-range plans establish level of service standards. These standards are critical to planning for the needs of future city residents. In some cases, such as water quality or wastewater discharge, these standards are often established or guided by outside regulating bodies.

We will be presenting the highlights on the plan at the following meetings:

- 11/23/21- Public Works Funds
- 12/7/20- General Fund and Other Special Revenue Funds
- 12/14/21- Resolution 5359 Adopting the FY23-FY27 CIP

Once the plan is adopted, it becomes the basis of the City Manager's Recommended Budget for FY23.

Public Works funds

The Public Works Department, City Manager, and other city staff met during September - October to develop the Capital Improvement Plan (CIP) for the capital needs for the Public Works Department. Public Works oversees the majority of the infrastructure projects and our planned based on the appropriate funding sources and fund. The funds for the department included in the CIP are (in the order they are presented in the plan document):

- Arterial & Collector District Fund
- Public Works Admin Fund
- Solid Waste Fund
- Storm Water Fund
- Street & Curb Fund
- Street Impact Fee Fund
- Street maintenance Fund
- Vehicle Maintenance Fund
- Wastewater Fund
- Wastewater Impact Fee Fund
- Water Fund
- Water Impact Fee Fund

Impact Fee Funds: The Impact Fee Advisory Committee met on October 29, 2021 to review the Impact Fee funds' CIP sections. In regards to tonight, the Committee recommended the plans as presented.

Tonight we are going to highlight major changes in the plans in the following groupings:

- Overall highlights
- Arterial & Collector Fund, Street Impact Fee Fund, Street maintenance Fund
- Wastewater Fund and Wastewater Impact Fee Fund
- Water Fund and Water Impact Fee Fund

UNRESOLVED ISSUES:	This is the beginning of the CIP process, there are many unresolved issues. We will be identifying and discussing those during this presentation and the CIP workshops and hearings in November and December.
ALTERNATIVES:	If the Commission would like to make suggestions for changes to the planned CIP Work Sessions, please do so tonight.
FISCAL EFFECTS:	This step in the process has no fiscal effect. Once adopted, the Capital Improvements Plan becomes the basis of the City Manager's Recommended Budget for FY23.

Report compiled on: November 12, 2021

Memorandum

REPORT TO: City Commission

FROM: Jesse DiTommaso, Deputy City Clerk
Mike Maas, City Clerk
Jeff Mihelich, City Manager

SUBJECT: Appointments to the Historic Preservation Advisory Board.

MEETING DATE: November 23, 2021

AGENDA ITEM TYPE: Citizen Advisory Board/Commission

RECOMMENDATION: I move to appoint one member to the Bozeman Historic Preservation Advisory Board to the historic district representative position with a term expiring on June 30, 2023 and one member to the Bozeman Historic Preservation Advisory Board to the at-large member position with a term expiring on June 30, 2023.

STRATEGIC PLAN: 1.2 Community Engagement: Broaden and deepen engagement of the community in city government, innovating methods for inviting input from the community and stakeholders.

BACKGROUND: The Bozeman Historic Preservation Advisory Board was created under Chapter 2, Article 5, and Division 6 of the Bozeman Municipal Code. This chapter is designed as a measure to establish a local historic preservation program designed to promote the preservation of historic and prehistoric sites, structures, objects, buildings, and historic districts by addressing historic preservation issues at the local level and integrating them into local, state, and federal planning and decision-making processes. The historic preservation program includes identification, evaluation, and protection of historic resources within the city (Ordinance No. 1180, Section 2, 1985). The Bozeman Historic Preservation Advisory Board shall serve in an advisory capacity to the City Commission and other staff members or boards seeking advice on historic preservation issues (Ordinance No. 1454, Section 2, 1998; Ordinance No. 1180, Section 3, 1985).

Members are appointed to staggered two-year terms comprised of up to seven members per Ordinance 1927 via any combination of the following: 1. At least three members shall meet the Secretary of the Interior's Professional Qualification Standards in the disciplines of history, planning, archaeology, architecture, architectural history, historic archaeology, or other historic preservation-related disciplines such as cultural geography or cultural anthropology. 2. At least one member shall be an architect holding state or NCARB registration. Retired professionals shall be given

consideration equal to that of practicing professionals. Residency within the city shall not be a prerequisite for membership as a professional representative. 3. At least one member shall live in or own property in a Bozeman historic district, on file at the city planning office. A member may be chosen from a locally or nationally designed district. 4. At least four members shall be at-large representatives who reside or own property within the city limits.

This board currently has three vacancies. The City Clerk's Office has received two applications, with their relevant qualifications indicated below:

One Historic District Representative Position with a term expiring June 30, 2023 | Qualifies: E. Darrow

One At-Large Member Position with a term expiring June 30, 2023 | Qualifies: E. Darrow and J. Anderson

One Architect Position with a term expiring June 30, 2023 | Qualifies: None

Commissioner Coburn is the City Commission liaison for this board. Bozeman Historic Preservation Advisory Board appointments are Commission appointments.

UNRESOLVED ISSUES: None.

ALTERNATIVES: As suggested by the City Commission.

FISCAL EFFECTS: None.

Attachments:

[09-16-21 CAB Application - J. Anderson - new applicant.pdf](#)

[09-08-21 CAB Application - E. Darrow - new applicant.pdf](#)

Report compiled on: November 12, 2021

From: webadmin@bozeman.net
To: [Agenda](#)
Subject: Citizen Advisory Board Application
Date: Thursday, September 16, 2021 4:36:46 PM

A new entry to a form/survey has been submitted.

Form Name: Citizen Advisory Board Application
Date & Time: 09/16/2021 4:36 PM
Response #: 7
Submitter ID: 43691
IP address: 63.153.13.254
Time to complete: 37 min. , 53 sec.

Survey Details

Page 1

WELCOME

Thank you for your interest in joining a Citizen Advisory Board. The City of Bozeman elected officials and staff believe in the value of public participation and local governance in the decision-making process and encourage all interested members of our community to apply. As set forth in [Resolution 5323](#), the City is committed to building Advisory Boards that advance the City's goals of increasing diversity, equity, and inclusion. Because of this goal, the City is actively working to achieve membership that reflects, at the least, the demographics of our community. Women, minorities, individuals with disabilities, veterans, and other underrepresented groups are encouraged to apply.

CONTACT INFORMATION

The City will need to communicate with all board members via email for a number of annual communications, so a valid email address is required for all applicants. Please notify the City Clerk's Office if your email address changes for any reason.

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Please note that your application will become public information. All required fields are marked with a red asterisk *.

STANDARDS OF CONDUCT

Each official and employee serving on a multimember agency is expected to devote the time and effort necessary to ensure the successful functioning of such agency ([Bozeman Municipal Code, Section 2.03.490.C.](#)). Additional standards of conduct and norms are included in [Resolution 5323](#).

Applicant Information

First Name	Jacey
Last Name	Anderson
Physical Address	3755 Galloway St. Apt. C206
PO Box (if different from physical address)	Not answered
City	Bozeman
State	Montana
Zip Code	59718
Primary Phone	(406) 370-5973
Additional Phone	Not answered
Current Occupation	Doctoral candidate in history
Employer	Montana State University
Email	jaceycanderson@gmail.com

Which position are you applying for?

☐ Bozeman Historic Preservation Advisory Board (BHPAB)

Do You Live in the City Limits? (*Some positions do require you live within Bozeman city limits while others do not.*)

☐ Yes

How long have you lived in the Bozeman Area?

☐ 6-10 years

Have you ever served on a City or County Board or Commission?

☐ No

Please describe your professional and personal experiences, interest, and qualifications that make you a good fit for this board.

I am a PhD candidate in the History Department at Montana State University. One of my minor fields is public history, and I plan to enter into the field of public history after graduating. I have taken public history and historic preservation graduate courses and am familiar with the history, terminology, and legal proceedings of preserving historic buildings, sites, and landmarks.

As a nearly-native Montanan (my family moved to Missoula when I was 4 years old), I've observed how much Bozeman has grown just over my lifetime and especially over the last decade. I would be honored to be a part of this board to participate in discussion over what we need to preserve in our community before it's too late. For example, many of the buildings on 7th street are becoming eligible to put on the National Register of Historic Places, but that area is also being quickly developed with new businesses. I'm also interested in learning more about the upkeep of buildings that are already on the register.

The City of Bozeman strongly values diversity, equity and inclusion (DEI). Describe any efforts you have engaged in to expand your understanding of DEI.

I work part time for a transnational solidarity organization called US-El Salvador Sister Cities. Within that organization I help lead a racial justice and equity group that works to both make our organization more equitable and inclusive and partners with other organizations who are working toward racial justice and equity.

Apart from this organizing work, as a white, cisgender woman I find it important to do my own work in understanding my own prejudices and biases. I take time most weeks to read books and listen to podcasts about DEI. I also completed an 8-week discussion group course about racial justice that the Janette Rankin Peace Center hosted online last year.

References: Please provide name, phone, and email contact information for two references.

Reference 1

Janet Ore
406-994-5208
janet.ore@montana.edu

Reference 2

Molly Todd
(406) 994-5200
molly.todd@montana.edu

The Bozeman City Charter, voted in by the citizens of Bozeman in 2008, requires annual ethics training. If appointed, do you understand you will be expected to take online and in person ethics training?

(o) Yes

How did you hear about this board or vacancy?

Savannah Donnelly

Is there any other information that you feel we need to know?

I am happy to provide a CV or portfolio of my previous public history work upon request.

If you have a disability that requires assistance or need accommodations, please contact our ADA Coordinator, Mike Gray, at 582-3232 (TDD 582-2301).

Please note that for most Citizen Advisory Boards, materials are distributed electronically for each meeting.

Your application and all information submitted is considered a public record. All applications are included in the City Commission's Meeting materials for consideration which are electronically archived and available to the public.

Thank you,
City Of Bozeman

This is an automated message generated by Granicus. Please do not reply directly to this email.

From: webadmin@bozeman.net
To: [Agenda](#)
Subject: Citizen Advisory Board Application
Date: Thursday, September 9, 2021 6:55:46 AM

A new entry to a form/survey has been submitted.

Form Name: Citizen Advisory Board Application
Date & Time: 09/08/2021 3:51 PM
Response #: 4
Submitter ID: 43407
IP address: 174.45.93.71
Time to complete: 8 min. , 20 sec.

Survey Details

Page 1

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Applicant Information

First Name	Elizabeth
Last Name	Darrow
Physical Address	603 West Babcock Street
PO Box (if different from physical address)	Not answered
City	Bozeman
State	Montana
Zip Code	59715
Primary Phone	(206) 660-7645
Additional Phone	Not answered
Current Occupation	Professor
Employer	Cornish College of the Arts
Email	elizabeth.darrow@gmail.com

Which position are you applying for?

☐ Bozeman Historic Preservation Advisory Board (BHPAB)

Do You Live in the City Limits? (*Some positions do require you live within Bozeman city limits while others do not.*)

☐ Yes

How long have you lived in the Bozeman Area?

☐ 11 years or more

Have you ever served on a City or County Board or Commission?

☐ No

Please describe your professional and personal experiences, interest, and qualifications that make you a good fit for this board.

TO: City of Bozeman
FROM: Elizabeth Darrow. (elizabeth.darrow@gmail.com)
RE: Application Statement for Historic Preservation Advisory Board
Sept 8, 2021

I am applying to be part of the Historic Preservation Advisory Board (not on drop down menu?) and am deeply interested and involved in areas of historic preservation and have broad experience in the political and social contexts that community activism requires. I am an art historian with a PhD. I have been a tenured faculty member in art history at Cornish College of the Arts for 15 years in Seattle and also taught in other institutions including University of Washington, Trinity University, CU Boulder, and Montana State University. I have lectured for Harvard University and the British Museum and I serve currently on the

Board of Directors of the Story Mansion since 2009 locally. I am a member and served on committees of various professional organizations including Historic Seattle, College Art Association, Save Venice, AIC, was a Guest Resident Scholar at the Getty Conservation Institute and a Fulbright scholar in Italy in conservation of art

I recognize the economic and social pressures of monumental growth in Bozeman and how it may be both positive and negative for a place evolving through time. But it is the quality of life, the tangible and intangible aspects of small-town life and the natural beauty of the environment that has attracted so many now to the city. In my opinion this has deeper meaning than a hot real estate market. Growth must be tempered with a community-wide appreciation for history, the past in the present and a sense of place and the values it represents for the future of Bozeman.

Some of my interests include architecture and design review and changes in a car-centric culture in the residential neighborhoods particularly in the historic core where I live the traffic now experienced in a very negative way. The city needs to make real its commitment to pedestrian access and walkability, more bicycle lanes and greenways and speed limit enforcement. Quiet enjoyment of home also is crucial whether in historic neighborhoods or other residential areas! I include my concern for the natural history of Bozeman in the preservation of green space, city ordinances in other cities protect Exceptional and Heritage trees and expanded care for mature and healthy tree canopy on streets and properties paramount in this time of climate change.

The City of Bozeman strongly values diversity, equity and inclusion (DEI). Describe any efforts you have engaged in to expand your understanding of DEI.

I have been involved as an academic in various areas of DEI with fellow faculty, staff and students. We work together to make the teaching and learning experience more relevant and fair for all involved from developing anti-racist pedagogy for course content, workplace sensitivity, forums, conferences, research and internet meetings to understand and implement best practices.

References: Please provide name, phone, and email contact information for two references.

Reference 1

Feliz Spinelli
President Board of Friends of the Story Mansion
spinelli.felix@gmail.com

Jane Klockman, VP Friends of the Story
jdklockman@gmail.com

Reference 2

Linda Semones, member of HPAD
lindasemones@hotmail.com

The Bozeman City Charter, voted in by the citizens of Bozeman in 2008, requires annual ethics training. If appointed, do you understand you will be expected to take online and in person ethics training?

(o) Yes

How did you hear about this board or vacancy?

Public knowledge

Is there any other information that you feel we need to know?

I have not asked them but these two elected city officials know me and I believe would support my application.

Cyndy Andrus, Mayor

Jennifer Madgic, Commissioner

If you have a disability that requires assistance or need accommodations, please contact our ADA Coordinator, Mike Gray, at 582-3232 (TDD 582-2301).

Please note that for most Citizen Advisory Boards, materials are distributed electronically for each meeting.

Your application and all information submitted is considered a public record. All applications are included in the City Commission's Meeting materials for consideration which are electronically archived and available to the public.

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