

Red Lodge Area Community Foundation

Red Lodge, Montana

FINANCIAL STATEMENTS WITH
INDEPENDENT ACCOUNTANTS' REVIEW REPORT

December 31, 2023



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Red Lodge Area Community Foundation

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Red Lodge Area Community Foundation
Red Lodge, Montana

We have reviewed the accompanying financial statements of Red Lodge Area Community Foundation, not-for-profit (the Organization), which comprise the statement of financial position as of December 31, 2023; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with GAAP. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with GAAP.

KCoe Isom, LLP

December 20, 2024
Billings, Montana

Red Lodge Area Community Foundation

STATEMENT OF FINANCIAL POSITION

December 31, 2023

ASSETS

Current Assets

Cash and cash equivalents	\$	617,687
Accounts receivable		2,727
Grants receivable		163,861
Investments		150,214
Other receivables		580

Total Current Assets 935,069

Property and Equipment

Land		96,888
Land improvements		12,000
Buildings and improvements		968,512
Furniture, fixtures, and equipment		236,511
Construction in progress		40,708
Accumulated depreciation		(300,759)

Property and Equipment - Net 1,053,860

Other Assets

Mortgage loans receivable - net		358,210
Other assets		2,309

Total Other Assets 360,519

TOTAL ASSETS \$ 2,349,448

See the accompanying notes and independent accountants' review report.

Red Lodge Area Community Foundation

STATEMENT OF FINANCIAL POSITION

(Continued)

December 31, 2023

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$	174,535
Accrued expenses		241
Current portion of long-term debt		3,631

Total Current Liabilities

178,407

Long-term debt - net of current portion

245,604

Other liabilities

2,561

Total Liabilities

426,572

Net Assets

Without donor restrictions

1,202,825

With donor restrictions

720,051

Total Net Assets

1,922,876

TOTAL LIABILITIES AND NET ASSETS

\$ 2,349,448

See the accompanying notes and independent accountants' review report.

Red Lodge Area Community Foundation

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023	Without Donor Restrictions	With Donor Restrictions	Total
CHANGES IN NET ASSETS			
Revenue and Support			
Contributions	\$ 599,267	\$ 1,236,048	\$ 1,835,315
Government grants	29,097	851,677	880,774
In-kind contributions	14,302	9,740	24,042
Tuition income	14,233	-	14,233
Rental revenue	106,225	-	106,225
Administrative fees income	104,076	-	104,076
Investment income	6,056	-	6,056
Other income	55,442	12,511	67,953
Net assets released from restrictions	2,480,574	(2,480,574)	-
Total Revenue and Support	3,409,272	(370,598)	3,038,674
Expenses			
Program services	3,156,667	-	3,156,667
Fundraising services	104,624	-	104,624
General and administrative	274,649	-	274,649
Total Expenses	3,535,940	-	3,535,940
CHANGES IN NET ASSETS	(126,668)	(370,598)	(497,266)
Net Assets - Beginning of Year	1,352,268	1,276,938	2,629,206
Prior-Period Adjustment (Note 10)	(22,775)	(186,289)	(209,064)
Net Assets - as Restated	1,329,493	1,090,649	2,420,142
Net Assets - End of Year	\$ 1,202,825	\$ 720,051	\$ 1,922,876

See the accompanying notes and independent accountants' review report.

Red Lodge Area Community Foundation
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023	Program Services					Supporting Services		
	Resilient Community	Robust Arts & Culture	Connected Youth	Thriving Nonprofits	Program Services	Fundraising	General and Administrative	Total
Accounting	\$ 15,557	\$ 18,150	\$ 10,473	\$ 58,283	\$ 102,463	\$ 54	\$ 165	\$ 102,682
Advertising and promotion	881	2,087	475	3,767	7,210	842	109	8,161
Bad debt expense	28,309	-	-	-	28,309	-	-	28,309
Conferences and meetings	2,471	1,152	1,269	271	5,163	271	1,010	6,444
Consulting services	34,237	4,645	14,568	1,165	54,615	914	935	56,464
Contribution expense	456,318	-	89,043	-	545,361	-	-	545,361
Depreciation and amortization	11,697	-	-	-	11,697	-	55,025	66,722
Employee benefits	21,203	13,045	7,214	59	41,521	1,458	21,805	64,784
Grants and other assistance	698,791	47,966	64,350	452,787	1,263,894	11,500	365	1,275,759
Information technology	18,559	4,495	4,082	3,527	30,663	3,142	3,183	36,988
In-kind contributions utilized	-	3,367	-	20,001	23,368	-	673	24,041
Insurance	29,034	14,897	4,913	3,062	51,906	2,671	5,098	59,675
Meals	2,819	1,458	942	888	6,107	1,005	998	8,110
Miscellaneous	3,638	4,078	12,554	22,819	43,089	3,374	1,451	47,914
Office expense	2,542	14,205	2,859	4,612	24,218	1,911	2,728	28,857
Payroll taxes	28,033	12,830	8,360	4,000	53,223	4,789	13,950	71,962
Printing and publications	2,481	1,219	1,253	5,914	10,867	7,035	983	18,885
Rent, repairs, telephone, and utilities	21,393	114,402	23,784	3,424	163,003	2,410	2,997	168,410
Salaries and wages	356,929	166,060	101,946	51,248	676,183	61,146	163,034	900,363
Travel	13,030	377	286	114	13,807	2,102	140	16,049
Total	\$ 1,747,922	\$ 424,433	\$ 348,371	\$ 635,941	\$ 3,156,667	\$ 104,624	\$ 274,649	\$ 3,535,940

See the accompanying notes and independent accountants' review report.

Red Lodge Area Community Foundation

STATEMENT OF CASH FLOWS

Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (497,266)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation expense	55,025
Amortization of sweat equity mortgages	11,697
Bad debt expense	28,309
Changes in:	
Accounts receivable	2,124
Grants receivable	(163,861)
Other receivables	4,550
Other assets	91
Accounts payable	133,617
Accrued expenses	(12,710)
Other liabilities	(16,095)

NET CASH USED IN OPERATING ACTIVITIES (454,519)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property, plant, and equipment	(77,422)
Payments received on mortgages receivable	3,850
Increase in mortgage penalty interest receivable	(7,440)
Purchases of certificates of deposit with maturities over three months	(150,179)

NET CASH USED IN INVESTING ACTIVITIES (231,191)

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on long-term debt	(765)
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Net Change in Cash and Cash Equivalents (686,475)

Cash and Cash Equivalents - Beginning of Year 1,304,162

Cash and Cash Equivalents - End of Year \$ 617,687

See the accompanying notes and independent accountants' review report.

Red Lodge Area Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations Red Lodge Area Community Foundation (the Organization) is a non-profit organization incorporated in the state of Montana. The Organization is organized to connect people and build communities by catalyzing change and sharing resources to build a strong, vibrant, resilient, inclusive community in Red Lodge, Montana.

Basis of Accounting The Organization uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). This method recognizes revenues as earned and expenses as incurred.

Implementation of New Accounting Standards On January 1, 2023, the Organization adopted Financial Accounting Standards Board Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses*, and all related subsequent amendments. This guidance significantly changed the measurement of credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing the Organization's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to this guidance were mortgage loans receivable.

The Organization adopted the standard effective January 1, 2023, using a modified retrospective method. The impact of the adoption was not considered material to the financial statements and primarily resulted in new or enhanced disclosures only.

Assets Held in Trust by Montana Community Foundation The Organization has established endowment funds that are held and managed by the Montana Community Foundation (MCF). MCF has variance power over the assets held in trust. Contributions made into these endowment funds are not recognized as assets or revenue of the Organization. Endowment distributions received from MCF are recognized as contribution revenue by the Organization upon receipt. If the distributions come with specific donor-imposed restrictions, they are recorded as revenue with donor restrictions. If there are no such restrictions, they are recorded as revenue without donor restrictions.

Accounting Estimates The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Classification of Net Assets In accordance with GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The following is a description of the two classes of net assets:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Red Lodge Area Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Net Assets With Donor Restrictions: Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents For purposes of the statements of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. From time to time, certain bank accounts that are subject to limited Federal Deposit Insurance Corporation coverage exceeded their insured limits. At December 31, 2023, bank balances exceeded insured limits by \$189,283.

Investments and Investment Income Investments in marketable securities with readily determinable fair values are reported at their fair value in the statements of financial position, with the unrealized gains (losses) reported in the statements of activities. Gains and losses on investments are reported as net assets with donor restriction until restrictions are met and income is distributed.

Receivables Grants receivables and trade receivables are due from local supporters and governmental units. Trade receivables generally are due when billed. The Organization does not require collateral. Management considers all receivables collectible; accordingly, no allowance for doubtful accounts has been established.

Property, Plant, and Equipment Property and equipment purchases in excess of \$1,000 are recorded at cost. Equipment and furniture and fixtures are depreciated using the straight-line method over their estimated useful lives of 5 to 10 years. Building and building improvements are depreciated using the straight-line method over estimated useful lives of 15 to 39 years.

Mortgage Loans Receivable The Organization holds mortgage loans receivable. These mortgages are owned by the Organization, and monthly payments from homeowners are received by the Organization through a contracted service provider. These mortgages are non-interest bearing and require monthly payments of principal over a term of 30 years. No interest is charged unless a default occurs.

The Organization amortizes the sweat equity mortgage receivable after the homeowner has occupied the home for five years. The amortization is calculated on a straight-line basis over the remaining 25 years of the note's term.

Based on historical information, current known facts, and reasonable and supportable forecasts about the future, the Organization believes that all mortgage loans receivable are fully collectible. The Organization has not experienced any significant credit losses in the past, and borrowers continue to meet their payment obligations timely; therefore, as of December 31, 2023, management has determined that no allowance for credit losses is necessary.

Red Lodge Area Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Revenue and Revenue Recognition The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend have been met.

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Special events revenue is reported net of direct special events expense on the statements of the activities.

In-Kind Revenues Donations of property and equipment are recorded as contributions at their estimated fair value on the date of donation. These donations are reported as increases in net assets without donor restrictions unless the donor has specified a particular purpose for the donated asset. Assets donated with explicit restrictions on their use, as well as cash contributions designated for the acquisition of property and equipment, are reported as net assets with donor restrictions.

In the absence of explicit donor stipulations regarding the holding period for long-lived assets, restrictions expire when the assets are placed in service. At that time, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Donated services are recognized as contributions at their estimated fair value in accordance with GAAP if the services either (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would otherwise be purchased by the Organization.

Donated goods are valued using the cost approach, considering the current replacement cost of similar assets.

Volunteers have contributed significant amounts of time to both program services and supporting services. However, no amounts have been recognized in the accompanying statements of activities because the criteria for recognizing such volunteer efforts have not been met.

Advertising Advertising costs, which are included in operating expenses, are expensed as incurred. For the year ended December 31, 2023, advertising expense was \$8,161.

Other Receivables Other receivables consist of accrued interest on notes receivable and other non-trade receivables.

Functional Expenses The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, some expenses require allocation on a reasonable basis that is consistently applied. Such allocations are determined by management on an equitable basis. The expenses allocated include insurance and supplies and are allocated based upon usage of such insurance and supplies as program or general and administrative.

Income Taxes The Organization is exempt from federal income tax under the provisions of Section 501(c)(3) of the *Internal Revenue Code*.

Evaluation of Subsequent Events Management has evaluated subsequent events through December 20, 2024, the date the financial statements were available to be issued.

Red Lodge Area Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure include only those without donor or other restrictions limiting their use within one year of the balance sheet date. Management has identified the following assets as of December 31, 2023, as available for general operations in 2024:

Year Ended December 31, 2023

Financial Assets - End of Year	
Cash and cash equivalents	\$ 617,687
Accounts receivable	2,727
Grants receivable	163,861
Investments	150,214
Other receivables	580
Mortgage loans receivable - net	358,210
Total Financial Assets - End of Year	1,293,279
Less: Amounts Not Available to Be Used Within One Year	
Net assets with donor restrictions	720,051
Mortgage loans receivable - net	358,210
Financial Assets Available to Meet Cash Needs For General Expenditures Within One Year	\$ 215,018

The Organization monitors cash available to fund general expenses throughout the year. From time to time, the demands of maintaining its facility, coupled with ongoing operating cash flow needs, exceed cash available from ongoing contributions and program fees. The Organization manages its liquidity and reserves with the following guiding principles: operating within a prudent range of financial soundness and stability, documenting when authorized payments become due, and maintaining adequate liquid assets and reserves to fund operating needs.

3. FAIR VALUE MEASUREMENTS

Fair Value Measurements The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted, quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

Red Lodge Area Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2023.

Certificates of Deposit (CDs): All CDs are recorded at cost plus accrued interest, which approximates their fair market value.

The methods described above may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables present by level, within the fair value hierarchy, the Organization's investment assets at fair value, as of December 31, 2023. Investment assets are classified in their entirety based upon the lowest level of input that is significant at the fair value measurement.

4. CERTIFICATES OF DEPOSIT

The Organization holds both short-term and long-term CDs as part of its investment portfolio. CDs with original maturities of three months or less are classified as cash and cash equivalents on the statement of financial position, while CDs with maturities exceeding three months but less than one year are classified as current investments. As of December 31, 2023, CDs classified as cash and cash equivalents totaled \$158,042, while current CDs totaled \$150,179. These CDs carry an interest rate of 5.35% per annum.

5. MORTGAGE LOANS RECEIVABLE

Mortgage Receivable

The Organization holds mortgage loans receivable for three homes. These mortgages are owned by the Organization, and monthly payments from homeowners are received by the Organization through a contracted service provider. These mortgages are non-interest bearing and require monthly payments of principal over a term of 30 years. No interest is charged unless a default occurs.

Red Lodge Area Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Second Promissory Note (Sweat Equity Mortgage)

In addition to the first mortgage, homeowners enter into a second promissory note representing the value of their sweat equity contributions. These non-interest-bearing notes mature 30 years from the date of the original note. No payments are due under this note unless certain conditions occur:

- The homeowner sells or transfers the property before the note matures.
- The homeowner ceases to occupy the property as their primary residence.
- The homeowner defaults on the terms of the first mortgage.

If any of these triggering events occur and the Organization elects to declare the entire balance of the note as immediately due and payable, the unpaid principal balance will accrue interest at a rate of 10 percent (10.0%) per annum until paid. However, if this rate exceeds the maximum legal interest rate allowable under Montana law (to avoid usury), the interest rate will be adjusted to the highest legal rate permissible at that time under Montana law.

If none of these events occur, the sweat equity mortgage is forgiven in full at the end of the 30-year term.

The Organization amortizes the sweat equity mortgage receivable after the homeowner has occupied the home for five years. The amortization is calculated on a straight-line basis over the remaining 25 years of the note's term.

Year Ended December 31, 2023

Mortgage and interest receivable	\$	117,534
Sweat equity mortgage		406,133
Accumulated amortization		(165,457)
Sweat Equity Mortgage - Net		240,676
Mortgage Loans Receivable - Net	\$	358,210

6. RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are those whose use by the Organization has been limited by donors to a specific time or purpose. Restrictions are considered to expire when expenses are incurred for the purpose or time has elapsed as stipulate by the donors, and at such time, a transfer to net assets without donor restrictions will be made.

Red Lodge Area Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Net assets with donor restrictions were:

Year Ended December 31, 2023

Grants	\$	112,422
Fiscal sponsorships		194,483
Field of interest funds		47,781
Donor advised funds		362,464
Total Net Assets With Donor Restrictions	\$	717,150

7. MONTANA COMMUNITY FOUNDATION

The Organization is a beneficiary of funds contributed to and held by MCF. Because these funds are owned by and under the control of MCF, they are not recorded as an asset of the Organization. The Organization receives contributions from MCF annually in accordance with its distribution policy. These endowments, aimed at supporting various interests within the Red Lodge community, include:

Red Lodge Area Community Foundation Agency Endowment Fund: The purpose of this fund is for support of the charitable purposes of the Organization. The Organization works to build a thriving community through stewardship, collaboration, and innovation by helping donors meet community needs now and in the future, funding project in arts and culture, education, environment, health, and social services, and supporting other nonprofits through training, leadership, and sponsorship. As of December 31, 2023, the balance of this fund was \$48,923. Contributions received were \$1,324 for the year ended December 31, 2023.

Roosevelt Center Agency Endowment Fund: The purpose of this fund is to provide funding for the operation and/or capital improvements of the Roosevelt Center, an arts, culture, and events center in Red Lodge, Montana. As of December 31, 2023, the balance of this fund was \$6,488. Contributions received were \$300 for the year ended December 31, 2023.

Beartooth Recreational Trails Association Agency Endowment Fund: The purpose of this fund is to further the purpose and mission of Beartooth Recreational Trails Association, a nonprofit organization whose mission is to foster education and health by promoting, developing, and maintaining trails for non-motorized recreational activities in and near Red Lodge, Carbon County, Montana. As of December 31, 2023, the balance of this fund was \$60,562. Contributions received were \$686 for the year ended December 31, 2023.

Red Lodge City Pool Agency Endowment Fund: The purpose of this fund is to provide funding for the operation and maintenance of the city pool and/or other recreational facilities that benefit the youth of the community. As of December 31, 2023, the balance of this fund was \$84,265. Contributions received were \$10,403 for the year ended December 31, 2023.

The Beartooth Front Community Foundation Endowment Fund: The purpose of this fund is to further the purpose and mission of the Beartooth Front Community Foundation (name was changed to Red Lodge Area Community Foundation in December 2002) within the Beartooth Front Geographical Region. As of December 31, 2023, the balance of this fund was \$686,999. Contributions received were \$74,852 for the year ended December 31, 2023.

Red Lodge Area Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

8. LONG-TERM DEBT

Long-term debt consisted of the following:

December 31, 2023

Note maturing in July 2031, payable in annual installments of interest-only payments for the first three years, followed by principal and interest payments for the remaining seven years. The interest rate is fixed at 1.00% per annum, with interest payments due annually on or before June 30, beginning in 2021. The final payment, including all outstanding principal, accrued interest, and any other unpaid sums, is due in full on July 2031. The loan is unsecured. \$ 100,000

Small Business Administration Economic Injury Disaster Loan maturing in June 2050, payable in monthly principal and interest payments of \$641, with an interest rate of 2.75% per annum, starting on November 15, 2023. Principal and interest payments were deferred for two years, during which interest continued to accrue. Each payment is first applied to accrued interest. The loan is secured by all tangible and intangible personal property owned by the Organization. 149,235

Total Long-Term Debt 249,235

Less: Current maturities 3,631

Long-Term Debt - Net \$ 245,604

Interest expense for the year ended December 31, 2023, was \$4,581.

Future maturity requirements of long-term debt for the five years subsequent to December 31, 2023 and thereafter are follows:

Years Ending December 31

2025	\$	17,593
2026		17,836
2027		18,084
2028		18,335
Thereafter		177,387
Totals	\$	249,235

Red Lodge Area Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

9. IN-KIND REVENUES

The in-kind contributions are summarized as follows:

Year Ended December 31, 2023		Amount	Purpose
Type of In-Kind Contribution			
Donated goods	\$	9,245	Utilized as prizes, drinks, and food during the 20th Annual Fun Run for Charities fundraising event.
Donated services and advertising		1,282	Utilized to promote the Fun Run and enhance the event's festive spirit.
Donated office equipment		873	Utilized to advance the Organization's mission and purpose.
Donated advertising		666	Utilized to promote the Art Walk events on the local radio station.
Donated goods		8,971	Utilized during the Festival of Trees fundraising event to support local charities and illuminate Broadway Avenue.
Donated goods		3,005	Utilized to further the Roosevelt Center's purpose of providing a venue for arts and events in Carbon County.
Total In-Kind Contributions	\$	24,042	

10. PRIOR-PERIOD ADJUSTMENT

The Organization's financial statements as of December 31, 2022, contained the following errors: (1) overstatement of endowment assets held in trust by MCF by \$186,289, and (2) property, plant, and equipment recorded as of December 31, 2022, but then expensed against insurance proceeds in 2023 amounting to \$22,775. Net assets as of January 1, 2023, have been reduced by \$209,064 to correct the aggregate effect of the errors.

11. SUBSEQUENT EVENTS

In November 2024, the Organization acquired four affordable rental homes in the Spires subdivision, valued at \$646,908. The purchase was financed through a program-related investment loan for \$200,000 and a loan through the Montana Board of Housing for \$459,234.

Additionally, the Roosevelt Center Capital Campaign raised approximately \$1,292,000 in 2024 to install an elevator and bring the 1920s side of the building up to code. A contract has been signed to perform the work. This will be disclosed as a subsequent event.