

ROCKY MOUNTAIN DEVELOPMENT
COUNCIL, INC.

FINANCIAL REPORT

June 30, 2014

CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT	1 and 2
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CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position	3 and 4
Consolidated Statement of Activities.....	5 and 6
Consolidated Statement of Functional Expenses	7 and 8
Consolidated Statement of Cash Flows	9
Notes to Consolidated Financial Statements.....	10 through 41

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards	42 and 43
Notes to the Schedule of Expenditures of Federal Awards	44 and 45
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	46 and 47
Independent Auditor’s Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	48 and 49
Schedule of Findings and Questioned Costs.....	50 through 52
Summary Schedule of Prior Audit Findings	53
Corrective Action Plan.....	54

CONTENTS (CONTINUED)

	<u>PAGE</u>
SUPPLEMENTARY INFORMATION	
Summary Programs by Grantor Agencies.....	55 through 57
Schedule of Indirect Cost Reconciliation.....	58
Schedule of Transfers.....	59
Consolidating Schedule of Financial Position	60 and 61
Consolidating Schedule of Activities.....	62 and 63
Schedule of Consolidating Eliminations.....	64 and 65

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rocky Mountain Development Council, Inc.
Helena, Montana

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Rocky Mountain Development Council, Inc. (RMDC) (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2014, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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 consolidated 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 audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial position of RMDC as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. The schedules of programs by grantor agencies, indirect cost reconciliation and transfers and consolidating schedules of financial position, statement of activities and consolidating eliminations on pages 55 to 75 are presented for purposes of additional analysis and are 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2014, on our consideration of RMDC'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 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 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 RMDC's internal control over financial reporting and compliance.



Helena, Montana
December 18, 2014

CONSOLIDATED FINANCIAL STATEMENTS

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2014

ASSETS

CURRENT ASSETS

Cash and cash equivalents, operations	\$ 895,287
Cash and cash equivalents, custodial	117,531
Accounts receivable	145,289
Related party receivable	30,633
Grants receivable	252,993
Current portion of notes and interest receivable	11,532
Prepaid deposits and expenses	54,738
Inventory	39,339
High School House Project	88,016
Total current assets	<u>1,635,358</u>

FIXED ASSETS

Land	1,725,465
Land improvements, net	192,707
Leasehold improvements, net	55,450
Buildings, net	19,967,800
Equipment, net	527,064
Total fixed assets	<u>22,468,486</u>

OTHER ASSETS

Investments	1,000
Cash restricted for security deposits and reserves	616,402
Long-term related party receivable	10,366
Long-term notes and interest receivable	5,033,969
Long-term accounts receivable	7,152
Deferred costs, net	57,118
Total other assets	<u>5,726,007</u>
Total assets	<u><u>\$ 29,829,851</u></u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 567,864
Cash and cash equivalents held for others	117,531
Compensated absences	309,200
Refundable advances/Deferred Revenue	162,657
Current portion of long-term debt	474,129
Line of credit advances	<u>537,767</u>
Total current liabilities	<u>2,169,148</u>

LONG-TERM DEBT

Notes and interest payable	1,786,621
Other liabilities	<u>254,335</u>
Total long term liabilities	<u>2,040,956</u>
Total liabilities	<u>4,210,104</u>

NET ASSETS

Unrestricted net assets

Unrestricted net assets and controlling interests in partnerships	13,630,757
Noncontrolling interests in partnerships	<u>11,841,442</u>
Total unrestricted net assets	25,472,199

Temporarily restricted net assets	<u>147,548</u>
Total net assets	<u>25,619,747</u>

Total liabilities and net assets	<u><u>\$ 29,829,851</u></u>
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ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

CHANGE IN UNRESTRICTED NET ASSETS

REVENUES AND GAINS

Grants - federal	\$ 5,102,088
Grants - other	856,614
County tax	295,790
Local support	36,874
Fundraising & donations	329,984
Program service	1,710,559
Other	174,172
In-kind	609,971
Total unrestricted revenues and gains	<u>9,116,052</u>

NET ASSETS RELEASED FROM RESTRICTIONS

Satisfaction of restrictions	<u>24,450</u>
Total unrestricted revenues, gains and other support	<u>9,140,502</u>

EXPENSES AND LOSSES

Aging & Nutrition	1,920,110
Corporation for National Service	1,162,682
Housing - General	2,550,554
Other Programs	114,793
Preschool/Childcare	3,099,466
Senior Activities	108,163
Transportation	44,086
Weatherization	739,395
Total program expenses and losses	<u>9,739,249</u>
General and administrative	1,658,312
Recovery of indirect costs from programs	(832,266)
Recovery of other allocated costs from programs	(843,776)
	<u>(17,730)</u>
Fundraising	2,508
Total unrestricted expenses and losses	<u>9,724,027</u>

CHANGE IN UNRESTRICTED NET ASSETS	<u>(583,525)</u>
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The Notes to Consolidated Financial Statements are an integral part of this statement.

CHANGE IN TEMPORARILY RESTRICTED NET ASSETS

Contributions	124,303
Net assets released from restrictions	<u>(24,450)</u>
Changes in temporarily restricted net assets	<u>99,853</u>
Change in net assets from continuing operations	(483,672)
Change in net assets from discontinued operations (including loss on disposal of \$15,951)	<u>(51,227)</u>
Total change in net assets	(534,899)
Partnership contributions	2,497,714
Consolidated net assets, beginning of year	<u>23,656,932</u>
Consolidated net assets, end of year	<u><u>\$ 25,619,747</u></u>

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2014

	General and Administrative			Program Expenses		
	Indirect Costs	Other Supporting Services	Total General and Administrative	Aging and Nutrition	Senior Volunteer Services	Housing
Advertising	\$ 2,765	\$ -	\$ 2,765	\$ 496	\$ 495	\$ 3,760
Assistance payments	-	-	-	-	-	-
Communications	30,961	35,613	66,574	17,601	13,911	36,679
Consultant/contract	1,667	9,601	11,268	12,629	1,843	123,028
Equipment rent/maintenance	8,234	26,322	34,556	533	300	-
In-kind	-	-	-	-	50,163	-
Insurance	14,466	9,733	24,199	8,506	-	76,461
Legal fees	33	-	33	-	-	-
Materials and supplies	31,819	19,832	51,651	25,123	1,471	47,308
Meal costs	-	115,875	115,875	380,227	-	174,916
Occupancy	31,647	151,378	183,025	36,786	13,067	282,472
Office supplies	13,191	3,152	16,343	2,203	3,047	10,671
Other	3,424	348	3,772	16,559	2,381	25,888
Pass-through grants	-	-	-	584,194	-	-
Photocopies/printing	3,287	73	3,360	1,270	6,878	568
Salaries and related expenses	678,121	308,034	986,155	686,022	260,146	682,723
Stipends	-	-	-	-	528,111	-
Travel/training	3,503	652	4,155	44,168	18,484	9,577
Vehicle maintenance/repair	-	2,507	2,507	11,759	-	-
Volunteer participant expense	-	-	-	-	138,063	-
Interest expense	261	33,721	33,982	-	-	217,961
Depreciation and amortization	1,169	27,271	28,440	-	-	792,528
Indirect costs allocated to programs	-	89,652	89,652	115,982	124,322	66,014
Recovery of indirect costs	(832,266)	-	(832,266)	-	-	-
Recovery of other allocated costs	-	(843,776)	(843,776)	(23,948)	-	-
	<u>\$ (7,718)</u>	<u>\$ (10,012)</u>	<u>\$ (17,730)</u>	<u>\$ 1,920,110</u>	<u>\$ 1,162,682</u>	<u>\$ 2,550,554</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Program Expenses							
Other	Preschool Childcare	Senior Activities	Transportation	Weatherization	Total Program	Fundraising	Total
\$ 499	\$ 100	\$ -	\$ -	\$ -	\$ 5,350	\$ -	\$ 8,115
8,194	-	-	-	89,562	97,756	-	97,756
993	39,580	3,018	258	14,953	126,993	201	193,768
902	130,320	182	135	285,282	554,321	610	566,199
-	1,176	539	-	-	2,548	-	37,104
-	559,633	-	-	-	609,796	175	609,971
-	19,799	1,628	4,985	8,390	119,769	-	143,968
-	-	-	-	-	-	-	33
2,836	113,587	253	77	15,247	205,902	-	257,553
371	166,372	3,010	-	-	724,896	-	840,771
30,380	173,351	55,421	-	28,932	620,409	-	803,434
-	5,810	146	-	4,759	26,636	-	42,979
319	9,130	-	182	159	54,618	535	58,925
31,944	-	-	-	-	616,138	-	616,138
189	2,515	4,368	48	120	15,956	67	19,383
30,605	1,544,705	17,506	32,072	201,368	3,455,147	608	4,441,910
-	-	-	-	-	528,111	-	528,111
2,522	30,026	17,405	167	4,840	127,189	-	131,344
-	647	-	8,551	2,123	23,080	-	25,587
-	-	-	-	-	138,063	50	138,113
-	1,067	-	-	-	219,028	-	253,010
-	43,849	628	33,470	14,789	885,264	-	913,704
5,039	257,799	4,059	6,082	68,871	648,168	262	738,082
-	-	-	-	-	-	-	(832,266)
-	-	-	(41,941)	-	(65,889)	-	(909,665)
<u>\$ 114,793</u>	<u>\$ 3,099,466</u>	<u>\$ 108,163</u>	<u>\$ 44,086</u>	<u>\$ 739,395</u>	<u>\$ 9,739,249</u>	<u>\$ 2,508</u>	<u>\$ 9,724,027</u>

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (534,899)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:	
Depreciation (including \$17,697 reported in discontinued operations)	923,499
Amortization expense	7,902
Loss on disposal of assets	33,550
Change in assets and liabilities:	
Decrease in current receivables	84,347
Decrease in grant receivables	17,767
Decrease in prepaid expenses	16,989
Decrease in inventory	8,037
Increase in High School House project	(88,016)
Increase in long-term interest receivable	(45,290)
Decrease in accounts payable & accrued expenses	(622,643)
Decrease in compensated absences	(51,353)
Increase in refundable advances	24,649
Increase in deferred interest payable	549
Decrease in other liabilities	(62,243)
Net cash from operating activities	<u>(287,155)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	(257,045)
Payments for construction in progress	(367,434)
Proceeds from the sale of assets held for sale	265,613
Payments received on long-term related party receivables	7,670
Principal payments received on long-term notes receivable	60,467
Paid-in capital received on partnership investments	2,497,723
Net cash from investing activities	<u>2,206,994</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Payments on line of credit and short-term notes	(1,544,975)
Principal payments on long-term debt	(222,667)
Net cash from financing activities	<u>(1,767,642)</u>

Net change in cash and cash equivalents 152,197

Cash and cash equivalents, beginning of year 1,477,023

Cash and cash equivalents, end of year \$ 1,629,220

SUPPLEMENTAL INFORMATION:

Interest Paid \$ 213,515

**CASH AND CASH EQUIVALENTS PER THE
STATEMENT OF FINANCIAL POSITION:**

Cash and cash equivalents, operations	\$ 895,287
Cash and cash equivalents, custodial	117,531
Cash restricted for security deposits and reserves	616,402
Total cash and cash equivalents, end of year	<u><u>\$ 1,629,220</u></u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Rocky Mountain Development Council, Inc. (RMDC) is a non-profit 501(c)(3) agency created and operated for the purpose of (in a broad definition) serving low income families and individuals of all ages primarily in Lewis and Clark, Broadwater and Jefferson Counties of the State of Montana, to achieve economic betterment and relief of poverty. RMDC is designated as a Community Action Agency as defined in 42 U.S. Code, Sections 2781 and 2837, and as such aids in the delivery of social services and stimulation of county development through its own activities or through collaboration with other appropriate agencies. RMDC is directed by a 15 member Board of Directors. Daily management is provided through an Executive Director who is hired by and responsible to the Board.

RMDC provides centralized administration and support for approximately 21 community service programs funded by various federal, state and local government agencies. The programs of RMDC are organized and operated on the basis of activity types. Program activity separation is used to aid management in demonstrating compliance with finance-related, legal and contractual provisions. The minimum number of programs is maintained consistent with legal and managerial requirements.

RMDC has established several entities to own and operate various housing facilities it has developed through its housing program. As required by U.S. generally accepted accounting principles, these financial statements include the consolidated activity of RMDC, Rocky Mountain Front Properties, Inc. (RMFP), RMDC Eagle Rock, Inc. (ERI), Eagle Manor II Residences, L.P. (EM II), Eagle Manor III Residences, L.P. (EM III), Penkay Eagles Manor, Inc., Eagles Manor Project No. 2, Inc., Big Boulder Residences L.P. (Big Boulder), and River Rock Residences, L.P. (River Rock). All material transactions between these organizations are eliminated from the consolidated financial statements.

Following is a description of these entities and the facilities they operate.

RMFP

RMFP is a wholly owned for-profit subsidiary of RMDC, created in June 2004 by RMDC to own and operate an eight-unit affordable family housing complex located in Augusta, Montana. RMDC also holds the majority of the Board of Directors positions.

Eagles Manor Complex

The Eagles Manor complex, located in Helena, Montana, was constructed to house low to moderate income senior citizens. The original facility (Penkay Eagles Manor) is comprised of 66 units and is owned and operated by Eagle Rock Residences Partnership (a related party as more fully described below). RMDC supported the renovation of this facility with funds obtained through its housing program. RMDC also redeveloped a portion of the pre-existing facility into 44 units located on the Eagles campus, now owned and operated by EMII.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

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

EM II was organized in December 2006 by RMDC to develop affordable housing. RMDC Eagles Manor II, LLC is the general partner, and MPEG Special Fund II, LP and MPEG Acceptance Corporation, SLP are the limited partners. In January 2008, EM II acquired the property owned by Eagles Manor Project No. 2, Inc., which is located on the Eagles campus in Helena, Montana. EM II has operated the facility since the acquisition.

Finally, an additional 30 units were constructed on the Eagles Complex, owned and operated by EM III, which was organized by RMDC in 2006 to develop and operate affordable housing. Since its creation, the organization constructed and began operating a 30-unit housing facility on the Eagles campus in Helena, Montana. Penkay Eagles Manor, Inc. is the general partner and Homestead Equity Fund VI, LP and Homestead SLP, LLC are the limited partners.

Penkay Eagles Manor, Inc. was taken over in June 2006 by RMDC to develop and operate affordable housing. The organization serves as the general partner for EM III and the sole member of RMDC Eagles Manor II, LLC, which is the general partner for EM II. RMDC holds the majority of Board of Directors positions.

Big Boulder

Big Boulder was organized in April 2009 by RMDC to develop and operate affordable housing in Boulder, Montana. The Big Boulder rehabilitation project was completed in November 2011. Big Boulder operates and maintains 36 units. RMDC Big Boulder, LLC is the general partner and RMDC is the limited partner.

River Rock

River Rock was organized in December 2010 by RMDC to develop and operate affordable housing in Helena, Montana. Construction of the 33-unit property was completed in August 2013. RMDC River Rock, LLC is the general partner and American Express - Utah Equity Fund is the limited partner.

Eagle Manor Project No. 2, Inc. was formed in December 1975 to develop and operate affordable housing. RMDC assumed majority membership of the organization's Board of Directors in March 2008. The organization serves as the sole member of RMDC Big Boulder, LLC, which is the general partner for Big Boulder. The organization also serves as the sole member of RMDC River Rock, LLC, which is the general partner for River Rock.

Eagle Rock, Inc.

RMDC Eagle Rock, Inc. was organized in November 2003 by RMDC as a 501(c)(3) supporting organization and as such provides supportive services to the residents of Eagle Rock Residences (Penkay), EM II, EM III, Big Boulder, River Rock, Ptarmigan Residences, LP (Ptarmigan), and Pheasant Glen Limited Partnership (Pheasant Glen). These services primarily relate to the provision of a congregate meal program for the residents of the Eagles Manor Complex, maintenance and

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

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

housekeeping services. RMDC holds the majority of the Board of Directors positions and has provided financial support to RMDC Eagle Rock, Inc.

Other Related Party Entities

RMDC has also participated in the development of other low-income housing projects, but does not control these through direct ownership or control of their operations combined with an economic interest; therefore, they are not included in RMDC's consolidated financial statements. RMDC created RMDC Ptarmigan, Inc., a non-profit corporation, to serve as the general partner for two limited partnerships established to own and operate Ptarmigan and Pheasant Glen affordable housing complexes in Helena, Montana. RMDC Ptarmigan, Inc., as general partner, has a .01% ownership interest in Ptarmigan and Pheasant Glen. RMDC Ptarmigan, Inc. created RMDC Penkay LLC, which is the general partner of Eagle Rock Residences Limited Partnership. Eagle Rock Residences Limited Partnership owns and operates Penkay Eagles Manor in Helena, Montana.

Basis of Accounting

The accompanying financial statements reflect practices common to non-profit organizations in accordance with accounting principles generally accepted in the United States of America (GAAP) as codified by the Financial Accounting Standards Board (FASB). The financial statements are prepared using the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Cash and Cash Equivalents

Cash and cash equivalents consists of both operations and custodial accounts. RMDC maintains pooled petty cash and deposit accounts that are used by all programs during the normal course of operations. RMDC is also the custodian of cash for several groups/councils. See Note 2 for disclosure of RMDC's custodial cash accounts.. For purposes of the statement of cash flows, all checking accounts, savings accounts, overnight repurchase agreements, and restricted reserve accounts are considered cash equivalents. Deposits are carried at cost, which approximates market value.

RMDC and its consolidated entities maintain cash accounts in multiple financial institutions. Accounts at the financial institutions (for each entity with separate tax identification numbers) are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. RMDC's main operating account has unlimited coverage through a repurchase agreement, under which all deposits are fully collateralized. At June 30, 2014, there were no uninsured cash balances.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

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

Accounts Receivable

Accounts receivable primarily represent amounts due from various agencies (holders of contracts not based on federal funding), tenants and other customers for services provided by RMDC and its entities. No allowance for uncollectible accounts is established as management considers all balances materially collectible. Receivables are typically billed monthly unless contract provisions require a different cycle. Additional collection steps are taken once an account is 30 days past due. An account is written off as a bad debt expense if it is six-months past due and deemed uncollectible or no payment terms are agreed upon.

Related Party Receivable

Related party receivable represents amounts due from organizations affiliated with RMDC.

Grants Receivable

Grants receivable consist of amounts due from federal, state, and local government agencies for goods or services provided by RMDC in accordance with the terms of grant agreements based on federal funding. No allowance for uncollectible accounts is established as management considers all balances materially collectible.

Current Portion of Notes and Interest Receivable

RMDC has made loans to provide funding for low-income and senior citizen housing projects and agreed to defer payments due for services rendered to other organizations. Information concerning these loans is provided in Note 4. The amount reported as current portion of notes and interest receivable represents the estimated loan principal and interest payments that RMDC will receive within one year of June 30, 2014.

Prepaid Deposits and Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market, and consists of administrative, food, weatherization, education, and kitchen supplies.

High School House Project

High School House Project is valued at the lower of cost or market, and consists of land for the 2015 and 2016 houses, as well as architect fees, consulting fees, and interest related to the construction of the 2015 High School House.

Asset Held for Sale

Long-lived assets that are not used in normal operations and to be sold within one year are classified

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

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

as an asset held for sale. Assets held for sale are reported at the lower of cost or the fair value less selling costs.

Fixed Assets

RMDC, RMFP and ERI capitalize property and equipment with an original cost greater than \$5,000. EM II, EM III, Big Boulder and River Rock capitalize property and equipment with an original cost greater than \$2,500. Donated fixed assets are recorded at their estimated fair value at the date of donation. The use and disposal of assets purchased with grant funds are restricted by the terms of the original grant and federal regulations. Depreciation expense reflected in the accompanying financial statements was computed using the straight-line method over an estimated useful life of 5 to 40 years.

Cash Restricted for Security Deposits and Reserves

RMDC's consolidated housing entities are required to maintain separate accounts for tenant security deposits, operating reserves, and capital replacement reserves. Operating and replacement reserve requirements are established by partnership agreements or funding source regulations and require approval before withdrawals are made. For purposes of the statement of cash flows, restricted reserve accounts are included in cash equivalents.

Deferred Costs

Deferred costs include financing charges and fees paid by EM II, EM III, Big Boulder and River Rock. They are reported net of accumulated amortization in the accompanying consolidated statement of financial position. Deferred costs related to financing activities are amortized on a straight-line basis over the term of the loan and period benefited.

Compensated Absences

RMDC and ERI permit nonunion employees to accumulate earned, unused annual and sick leave benefits. RMDC policy allows the accrual of up to 240 hours of unused annual leave effective October 1, 2014. At termination, nonunion employees are paid for any accumulated, unused annual leave and 25% of accumulated, unused sick leave multiplied by their current salary rate. RMDC union employees are granted personal leave and are permitted to accumulate earned, unused annual sick leave. At termination, union employees are paid only 25% of accumulated, unused sick leave multiplied by their current salary rate.

In-Kind Contributions

Services or goods donated to RMDC are recorded as revenue and then expensed or capitalized in an amount equal to the estimated fair market value of those services or goods received in accordance with U.S. GAAP.

Indirect Costs and Other Supporting Services

Indirect costs that benefit all RMDC programs are allocated to each program using an approved

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

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

indirect cost rate. The provisional approved rate for RMDC is 13.1% for fiscal year 2014.

RMDC maintains separate internal service funds, including kitchen, buildings, copier and network, for activities that benefit associated programs. The cost of these activities is allocated to the programs based on rates internally calculated on an annual basis in order to recover the costs of those activities. Allocation of actual costs may result in over- or under-recovery as the rates are set in advance, based on budgeted costs. Any over- or under-recovery is included in the calculation of the rates for the next fiscal year. The over-recovery for the fiscal year ended June 30, 2014 was \$10,012.

Accounting Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Material estimates that are particularly susceptible to significant change relate to RMDC's guaranty agreements and responsibilities as the organization responsible for managing a number of low-income housing properties in RMDC's service area. The above noted obligations and commitments are more fully described in Note 16. Management has calculated its estimated liability as required by U.S. GAAP and has determined it to be immaterial at June 30, 2014.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Grant awards for which advance payments are received are classified as refundable advances until expended for the purposes of the grant.

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires or is met through expenditure or lapse of time, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions restricted for the purchase of depreciable assets are released from restriction when the asset is acquired. Permanently restricted contributions are held for the specified purpose in perpetuity. No permanently restricted net assets existed at June 30, 2014.

Contributions are classified as unrestricted support if the donor restrictions are satisfied in the same year the contributions are received.

Net Assets and Noncontrolling Interest in Partnership Equity

The interest in partnership equity held by the limited partners of EMII, EMIII and River Rock, including capital contributions required by the respective partnership agreements, is presented as noncontrolling interest, a component of consolidated unrestricted net assets.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

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

The Big Boulder partnership agreement also requires monetary contributions from the general and limited partner. The contributions received by partners are reported as part of consolidated unrestricted net assets as this entity is directly controlled by RMDC.

Recruitment, Advertising and Promotional Costs

Recruitment, advertising and promotional costs are expensed as incurred. For the year ended June 30, 2014 recruitment, advertising and promotional costs total approximately \$8,115.

Tax Status

RMDC is a non-profit organization exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). Affiliated 501(c)(3) non-profits included in these consolidated statements are RMDC Eagle Rock, Inc., Penkay Eagles Manor, Inc., and Eagle Manor Project No. 2, Inc. With few exceptions, federal information returns for tax years prior to 2011 and state returns prior to 2009 are no longer subject to review by taxing authorities.

Rocky Mountain Front Properties, Inc. is subject to federal and state income tax as a C-Corporation. EM II, EM III, Big Boulder and River Rock are each organized as limited partnerships, with tax years ending each December 31. Tax years prior to 2011 and 2009 remain subject to review by federal and state taxing authorities for these entities, respectively.

Fair Value Measurements

U.S. GAAP provides a framework for measuring fair value. U.S. GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Subsequent Events

Management has evaluated subsequent events through December 18, 2014, the date which the financial statements were available for issue. There were no events subsequent to this date that require disclosure in the financial statements.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. CUSTODIAN OF CASH

RMDC is the custodian of cash for several groups/councils. Activities of the groups are related to programs that RMDC administers. RMDC does not control the activities or funds but receives and disburses funds on their behalf. The amounts represent deposit accounts held by RMDC as well as a corresponding current liability. Amounts held on behalf of these groups at June 30, 2014, are as follows:

	<u>June 30, 2014</u>
Head Start Parent Fund	\$ 20,817
Head Start Pennies for Progress	37,710
Friends of Headstart	54,822
Senior Bingo Fund	596
Employee Social Fund	313
Healthy Community	315
Helena Senior Advisory Council	<u>2,958</u>
	<u><u>\$ 117,531</u></u>

NOTE 3. RELATED PARTY RECEIVABLES

Related party receivables represent balances due from entities affiliated with RMDC, other than notes receivable as disclosed in Note 4. These arise from expenses paid on behalf of the entities by RMDC, as well as amounts due to RMDC for property management and accounting services provided to the entities. Amounts that are not expected to be collected within one year are classified as long-term.

The following summarizes balances receivable from these external related parties and those which have been eliminated within the consolidated entity:

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3. RELATED PARTY RECEIVABLES (CONTINUED)

	<u>Stand Alone</u> <u>June 30, 2014</u>	<u>Consolidating</u> <u>Eliminations</u>	<u>Consolidated</u> <u>June 30, 2014</u>
Current related party receivables			
RMDC			
RMDC Eagle Rock Inc.	\$ 1,263	\$ (1,263)	\$ -
Eagle Rock Residence LP	12,646	-	12,646
Eagle Manor II Residences LP	4,427	(4,427)	-
Eagle Manor III Residences LP	2,663	(2,663)	-
Ptarmigan Residence LP	2,125	-	2,125
Pheasant Glen LP	2,691	-	2,691
Big Boulder Residences LP	16,258	(16,258)	-
Rocky Mountain Front Properties Inc.	16,127	(16,127)	-
Townsend Housing Inc.	1,194	-	1,194
River Rock Residences LP	346,935	(346,935)	-
RMDC Ptarmigan Inc.	9,000	-	9,000
Penkay Eagles Manor Inc.	10,835	(10,835)	-
Total RMDC	426,164	(398,508)	27,656
RMDC EAGLE ROCK INC.	23,295	(20,318)	2,977
EAGLE MANOR II RESIDENCES LP	146	(146)	-
EAGLE MANOR III RESIDENCES LP	13	(13)	-
Total	<u>\$ 449,618</u>	<u>\$ (418,985)</u>	<u>\$ 30,633</u>
Long-term related party receivables			
RMDC			
Eagle Manor Project No. 2 Inc.	\$ 19,300	\$ (19,300)	\$ -
RMDC Ptarmigan Inc.	10,366	-	10,366
Total	<u>\$ 29,666</u>	<u>\$ (19,300)</u>	<u>\$ 10,366</u>

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 4. LONG-TERM NOTES AND INTEREST RECEIVABLE

Long-term notes and interest receivable consist of the following at June 30, 2014:

	Note Principal June 30, 2014	Note Interest June 30, 2014	Total Stand Alone June 30, 2014	Consolidating Eliminations	Consolidated June 30, 2014
RMDC					
Roadrunner Residence (FHLB)	\$ 55,000	\$ 8,387	\$ 63,387	\$ -	\$ 63,387
Roadrunner Residence (HOME)	197,098	-	197,098	-	197,098
Ptarmigan Residence LP (Operating Deficit)	5,943	390	6,333	-	6,333
Ptarmigan Residence LP (CDBG)	310,000	40,300	350,300	-	350,300
Ptarmigan Residence LP (HOME)	364,175	27,379	391,554	-	391,554
Pheasant Glen LP (CDBG)	506,157	142,761	648,918	-	648,918
Pheasant Glen LP (HOME)	411,856	191,280	603,136	-	603,136
Eagle Rock Residence LP (CDBG)	480,000	49,216	529,216	-	529,216
Eagle Rock Residence LP (HUD)	299,896	112,107	412,003	-	412,003
Eagle Rock Residence LP (HOME)	512,843	197,881	710,724	-	710,724
Eagle Rock Residence LP (FHLB)	650,000	-	650,000	-	650,000
Eagle Rock Residence LP (HUD II)	346,500	124,800	471,300	-	471,300
RMDC Eagle Rock Inc. (Operating loan)	212,968	-	212,968	(212,968)	-
Eagle Manor II Residences LP (HOME)	500,000	-	500,000	(500,000)	-
Eagle Manor II Residences LP (CDBG)	366,658	-	366,658	(366,658)	-
Eagle Manor III Residences LP (HOME)	516,461	112,693	629,154	(629,154)	-
Eagle Manor III Residences LP (HUD grant)	196,000	47,147	243,147	(243,147)	-
Eagle Manor III Residences LP (Developer Fee)	111,775	-	111,775	(111,775)	-
Big Boulder Residences LP (HOME)	417,652	2,086	419,738	(419,738)	-
River Rock Residences LP (HOME)	742,530	35,818	778,348	(778,348)	-
River Rock Residences LP (CDBG)	419,751	14,845	434,596	(434,596)	-
	<u>7,623,263</u>	<u>1,107,090</u>	<u>8,730,353</u>	<u>(3,696,384)</u>	<u>5,033,969</u>
EAGLE MANOR PROJECT NO. 2 INC.	<u>373,858</u>	<u>9,352</u>	<u>383,210</u>	<u>(383,210)</u>	<u>-</u>
Total	<u>\$ 7,997,121</u>	<u>\$ 1,116,442</u>	<u>\$ 9,113,563</u>	<u>\$ (4,079,594)</u>	<u>\$ 5,033,969</u>

Roadrunner Residence LP

On April 1, 1999 RMDC executed a promissory note loaning \$55,000 to Roadrunner Residence LP for the purpose of constructing a low-income rental housing project. RMDC received the \$55,000 as a subsidy from Federal Loan Home Bank (FHLB) (through U.S. Bank). Interest accrues at 1% per annum. The principal balance and accrued interest are due April 1, 2019. At June 30, 2014, the principal and accrued interest balance was \$63,387. See Note 9 for disclosure on RMDC's note payable to FHLB related to this note receivable.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 4. LONG-TERM NOTES AND INTEREST RECEIVABLE (CONTINUED)

On December 1, 1998 RMDC executed an agreement loaning \$340,000 to Roadrunner Residence LP for the purpose of constructing a low-income rental housing project. RMDC received the \$340,000 in a federal grant to be used for this project. Interest accrues at 3% per annum. The note is secured by the related property. The agreement called for 360 monthly installments of \$1,433 through May 2029. At June 30, 2014 the principal balance was \$208,168, of which \$11,070 is current and \$197,098 is classified as long-term in the consolidated statement of financial position.

Ptarmigan Residence LP

On November 20, 2000 RMDC executed a loan agreement with RMDC Ptarmigan, Inc. to fund an Operating Deficit Escrow account in the amount of \$40,000. RMDC Ptarmigan, Inc. was required, as the general partner of Ptarmigan Residence LP, to establish this escrow account for the Ptarmigan low-income housing project. RMDC made the loan from the developer fee it received for the project. The loan bears interest at 6.09% and is payable in full no later than June 30, 2016. Payments are contingent upon sufficient available cash (as defined in the Ptarmigan Residence Partnership Agreement). To date, payments of \$25,154 have been received. The principal balance and accrued interest at June 30, 2014 was \$6,333.

On June 30, 2001 RMDC executed two amended loan agreements with Ptarmigan Residence LP for permanent financing for construction of the Ptarmigan low-income housing project. The funds loaned by RMDC were provided by two federal grants. Both notes are secured by the related property and payment is contingent upon sufficient available cash (as defined in the Ptarmigan Residence Partnership Agreement).

The first note in the amount of \$310,000 is payable in annual installments of \$8,534, including interest at 1.00% per annum, beginning December 31, 2009 through December 2058. No payments have been received to date. The principal and accrued interest balance at June 30, 2014 was \$350,300. The second note in the amount of \$372,200 is payable in annual installments of \$9,554 including interest at 1.00% beginning December 31, 2002 through December 2051. To date, payments of \$20,406 have been received. The principal balance and accrued interest of the second note was \$391,554 at June 30, 2014.

Pheasant Glen LP

On August 15, 2003 RMDC executed amended loan agreements with Pheasant Glen Limited Partnership for permanent financing for construction of the Pheasant Glen low-income housing project. The loans were funded by two federal grants received by RMDC. The notes are secured by the related property and payment is contingent on sufficient available cash (as defined in the Pheasant Glen Partnership Agreement).

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 4. LONG-TERM NOTES AND INTEREST RECEIVABLE (CONTINUED)

The CDBG note in the amount of \$506,157 is payable in monthly installments of \$800, including interest at 4.27% through September 1, 2019. The principal and accrued interest balance at June 30, 2014 was \$648,918, after total payments received to date of \$92,316. The HOME note in the amount of \$411,856 is payable in monthly installments of \$333, including interest at 4.27% through September 1, 2019. No payments have been received to date. The principal and accrued interest balance at June 30, 2014 was \$603,136.

Eagle Rock Residence LP (Penkay)

Beginning in December 2003, RMDC loaned funds to Penkay to finance the acquisition and rehabilitation of Penkay Eagles Manor as provided for under provisions of the Limited Partnership Agreement. Funding for these loans was provided from grants secured by RMDC for the sole purpose of financially supporting the Penkay Eagles Manor project. The final terms of the loans are described in three agreements signed by both parties in February 2006 and one agreement signed by both parties in February 2007. The four notes are secured by the related property and payment is contingent on sufficient available cash (as defined in the Eagle Rock Residence Fourth Amended and Restated Agreement of Limited Partnership).

Under the RMDC CDBG Construction Loan Agreement, RMDC loaned \$480,000 to Penkay at 1.25% interest compounded annually. The principal and accrued interest on the loan is due in annual installments beginning December 31, 2006. No payments have been received to date. The entire remaining balance of principal and accrued interest is due and payable on February 22, 2041. The principal and accrued interest balance was \$529,216 at June 30, 2014.

Under the RMDC HUD Construction Loan Agreement, RMDC loaned \$299,896 to Penkay at 4.40% interest compounded annually. The principal and accrued interest on the loan is due in annual installments beginning December 31, 2006. No payments have been received to date. Any remaining balance of principal and accrued interest on October 28, 2041 is subject to renegotiation. The principal and accrued interest balance was \$412,003 at June 30, 2014.

Under the RMDC HOME Construction Loan Agreement, RMDC loaned \$512,843 to Penkay at 4.61% interest compounded annually. The principal and accrued interest on the loan is due in annual installments beginning December 31, 2006. No payments have been received to date. The entire remaining balance of principal and accrued interest is due and payable on February 16, 2041. The principal and accrued interest balance was \$710,724 at June 30, 2014.

Under the RMDC FHLB of Seattle Construction Loan, RMDC loaned \$650,000 to Penkay at 0% interest. The loan principal is due in annual installments beginning December 31, 2006. No payments have been received to date. The entire remaining loan balance is due and payable on November 22, 2040.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 4. LONG-TERM NOTES AND INTEREST RECEIVABLE (CONTINUED)

The principal balance of the loan at June 30, 2014 was \$650,000.

On February 1, 2007, RMDC executed a loan agreement with Penkay to provide funding of \$346,500 at 4.86% interest compounded annually, using federal grant funds. The note is secured by the related property. The principal and accrued interest on the loan is due in annual installments beginning December 31, 2007. No payments have been received to date. The entire remaining balance of principal and accrued interest is due and payable on February 1, 2042. The principal and accrued interest balance was \$471,300 at June 30, 2014.

Consolidation Adjustments

In addition, RMDC has advanced funds to entities that are eliminated in consolidation. RMDC has advanced operating funds totaling \$212,968 to Eagle Rock, Inc. to support the entity's service to Helena area housing facilities. RMDC has also loaned grant funds (HOME, CDBG or HUD grants) or deferred developer fees obtained through RMDC's housing program to Eagle Manor II Residences LP, Eagle Manor III Residences LP, Big Boulder Residences LP and River Rock Residences LP. Terms of the loans vary, but repayment of loan principal and accrued interest are generally dependent upon available cash as defined by the partnership agreement governing each respective facility.

Current Portion and Other Current Notes Receivable

As disclosed above, the current portion of the note receivable from Roadrunner Residence LP is \$11,070.

NOTE 5. RELATED PARTY TRANSACTIONS

RMDC provides property management and accounting services to external related parties and those within the consolidated entity. RMDC Eagle Rock Inc. provides maintenance services to these entities and food service to the residents of the Eagle Manor Complex. The following is a schedule of the revenue these services provided RMDC and RMDC Eagle Rock, Inc., including the amounts eliminated within the consolidated entity:

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5. RELATED PARTY TRANSACTIONS (CONTINUED)

	RMDC	Eagle Rock, Inc.	Consolidating Eliminations	Total
RMDC Ptarmigan Inc.	\$ 586	\$ -	\$ -	\$ 586
Eagle Rock Residence LP	102,922	36,363	-	139,285
Ptarmigan Residence LP	35,183	7,811	-	42,994
Pheasant Glen LP	47,569	5,707	-	53,276
Townsend Housing Inc.	18,218	-	-	18,218
Rocky Mountain Front Properties Inc.	23,096	-	(23,096)	-
RMDC Eagle Rock Inc.	8,340	-	(8,340)	-
Eagle Manor II Residences LP	66,698	32,220	(98,918)	-
Eagle Manor III Residences LP	47,607	20,398	(68,005)	-
Penkay Eagle Manor Inc.	492	-	(492)	-
Eagle Manor Project No. 2 Inc.	946	-	(946)	-
Big Boulder Residences LP	68,918	18,728	(87,646)	-
River Rock Residences LP	42,576	4,673	(47,249)	-
	<u>\$ 463,151</u>	<u>\$ 125,900</u>	<u>\$ (334,692)</u>	<u>\$ 254,359</u>

NOTE 6. FIXED ASSETS

Components of property, equipment, and land at June 30, 2014 were as follows:

Land	<u>\$ 1,725,465</u>
Land improvements	\$ 222,886
Less: Accumulated depreciation	<u>(30,179)</u>
Land improvements, net	<u>\$ 192,707</u>
Leasehold improvements	\$ 197,792
Less: Accumulated depreciation	<u>(142,342)</u>
Leasehold improvements, net	<u>\$ 55,450</u>
Buildings	\$ 25,883,470
Less: Consolidation adjustment	(3,087,398)
Less: Accumulated depreciation	<u>(2,828,272)</u>
Buildings, net	<u>\$ 19,967,800</u>
Equipment and vehicles	\$ 1,710,646
Less: Accumulated depreciation	<u>(1,183,582)</u>
Equipment, net	<u>\$ 527,064</u>
Total Fixed Assets	<u>\$ 22,468,486</u>

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6. FIXED ASSETS (CONTINUED)

Depreciation expense for property and equipment totaled \$923,499 of which \$905,802 is included in depreciation and amortization expense in the accompanying consolidated statement of functional expenses and \$17,697 is included in discontinued operations in the accompanying consolidated statement of activities for the fiscal year ended June 30, 2014.

Mail equipment acquired through a capital lease is included in equipment in the accompanying consolidated statement of financial position. The gross amount of the asset and its accumulated depreciation were \$5,843 and \$1,169, respectively at June 30, 2014. Depreciation expense on the equipment totaled \$1,169 for the fiscal year ended June 30, 2014.

The building consolidation adjustment of \$3,087,398 reflects fees paid by EM II, EM III, Big Boulder and River Rock to RMDC and ERI for services provided in support of the building projects that were capitalized by these individual entities.

In November 2006, the City of Helena donated land with a value of \$43,625 to be used as the site of the Jan Shaw Youth Home. The title to the property will revert to the City of Helena if the property ceases to be used as a youth home.

NOTE 7. DEFERRED COSTS

Amortization expense for these deferred costs has been included in depreciation and amortization expense in the accompanying consolidated statement of functional expenses and totaled \$7,902 for the fiscal year ended June 30, 2014. The components of deferred costs at June 30, 2014 were as follows:

	Gross Costs	Accumulated	Net
	June 30, 2014	June 30, 2014	June 30, 2014
EMII	49,384	34,530	14,854
EMIII	23,071	13,741	9,330
Big Boulder	9,717	1,741	7,976
River Rock	27,731	2,773	24,958
			<u>\$ 57,118</u>

Expected amortization expense for each of the next five fiscal years and thereafter subsequent to June 30, 2014 is as follows:

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7. DEFERRED COSTS (CONTINUED)

2015	\$ 6,942
2016	6,942
2017	6,942
2018	6,942
2019	6,942
Thereafter	<u>22,408</u>
	<u>\$ 57,118</u>

NOTE 8. LINE OF CREDIT

Balances outstanding on lines of credit held by consolidated entity include the following:

	<u>June 30, 2014</u>	
RMDC		
5.5% (variable interest rate - see description below) Line of Credit at Valley Bank, due May 3, 2015.	\$ -	Interest is paid monthly. Principal is payable upon maturity.
River Rock		
5.0% Line of Credit at Mountain West Bank, due September 17, 2014.	537,767	Interest is paid monthly. Principal is payable upon maturity.
	<u>\$ 537,767</u>	

RMDC

RMDC has a \$300,000 unsecured revolving line of credit at Valley Bank of Helena (Valley Bank) available through May 3, 2015. The line of credit is designated to fund RMDC's cash needs due to timing differences between program expenditures and their reimbursements. Amounts borrowed under the line of credit bear interest at a rate based on the Wall Street Journal prime rate plus additional 0.50 percentage points with a rate floor of 5.5% and a rate ceiling of 9.0%, adjustable quarterly.

River Rock

On September 17, 2012 River Rock opened a construction line of credit at Mountain West Bank of Helena (Mountain West Bank was acquired by First Interstate Bank on October 20, 2014) to finance the construction of the River Rock low-income housing project. Construction on the project began in August 2012 and was substantially completed in August 2013. The maturity date was extended to September 17, 2014 from the original maturity date of February 17, 2014. The construction line of credit is secured by the related property. This line of credit was paid off in full through the limited partner contributions in accordance with the terms of the partnership agreement on September 24, 2014.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9. LONG-TERM DEBT OBLIGATIONS

The following summarizes long-term debt and other obligations of the consolidated entity, with additional disclosure following of the specific terms and purposes of each obligation:

	<u>June 30, 2014</u>	
Notes and Interest Payable:		
RMDC		
1% Note Payable to FHLB (Roadrunner Project), due April 1, 2019. Balance includes \$8,387 long-term interest.	\$ 63,387	Principal and interest are payable upon maturity.
6.5% Note Payable to Valley Bank (Head Start Copier), due September 21, 2014.	421	Payable in monthly installments of \$143, including interest.
6.0% (variable interest rate - see description below) Note Payable to Valley Bank (Townsend House), due January 15, 2020.	15,283	Payable in monthly installments of \$515, including interest.
6.5% (variable interest rate - see description below for changes to the note agreement) Note Payable to Mountain West Bank (Jackson Street Building), due July 28, 2035.	509,785	Payable in monthly installments of \$3,716, including interest (see description below for changes to the note agreement).
4.25% Note Payable to USDA (Townsend Homestead Manor), due October 1, 2040.	248,745	Payable in monthly installments of \$1,024, including interest, of which \$485 is subsidized by USDA.
5% Note Payable to Mountain West Bank (High School House Building Lots), due September 20, 2015.	32,900	Interest is paid monthly. Principal is payable upon maturity.
5.5% Note Payable to NWM (Development of Affordable Housing), due June 1, 2015.	375,000	Interest is paid quarterly. Principal is payable upon maturity (see description below).
RMFP		
6.0% Note Payable to USDA (Elk Creek Lodge), due November 1, 2034.	52,763	Payable in monthly installments of \$374, including interest, of which \$173 is subsidized by USDA.
6.0% Note Payable to USDA (Elk Creek Lodge), due November 1, 2034.	123,233	Payable in monthly installments (calculated based on a 50 year amortization schedule) of \$676, including interest, of which \$401 is subsidized by USDA. Final installment is due 30 years from the date of the note.
5.375% Note Payable to USDA (Elk Creek Lodge), due December 1, 2035.	34,221	Payable in monthly installments of \$224, including interest, of which \$95 is subsidized by USDA.
EM III		
6.0% Note Payable to Mountain West Bank (EM III Facility), due June 10, 2039.	418,763	Payable in monthly installments of \$2,699, including interest.
EM II		
6.0% Note Payable to Mountain West Bank (EM II Facility), due March 10, 2040.	108,194	Payable in monthly installments of \$694, including interest.
Big Boulder		
5.95% (variable interest rate - see description below) Note Payable to Valley Bank (Fund Reserves and Current Operations), due October 10, 2042.	246,905	Payable in monthly installments of \$1,505, including interest.
	<u>2,229,600</u>	
Other Long-Term Debt:		
RMDC		
Non Interest Bearing Health Insurance Indebtness to L&C County, due Fiscal Year 2024.	281,846	Payable in annual installments of approximately \$30,000.
5.25% Capital Lease Payable to MailFinance (Mailing Equipment), expires July 2017.	3,639	Payable in quarterly installments of \$330, including interest.
	<u>285,485</u>	
Total notes and interest payable	<u>2,515,085</u>	
Current maturities	<u>(474,129)</u>	
Total notes and interest payable, net	<u>\$ 2,040,956</u>	

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9. LONG-TERM DEBT OBLIGATIONS (CONTINUED)

Future maturities of long-term debt and related long-term interest accrued for each of the next five fiscal years and thereafter subsequent to June 30, 2014 are as follows:

	Principal (net of capital lease)	Principal Capital Lease	Accrued Interest	Total
2015	\$ 472,979	\$ 1,150	\$ -	\$ 474,129
2016	69,845	1,212	-	71,057
2017	70,110	1,277	-	71,387
2018	67,823	-	-	67,823
2019	124,791	-	8,387	133,178
Thereafter	1,697,511	-	-	1,697,511
	<u>\$ 2,503,059</u>	<u>\$ 3,639</u>	<u>\$ 8,387</u>	<u>\$ 2,515,085</u>

Notes and Interest Payable

RMDC

In 1998, RMDC signed an agreement with the Federal Home Loan Bank (FHLB) whereby the FHLB agreed to provide a \$55,000 subsidy to the Roadrunner low-income housing project. The agreement stipulates any repayments of principal and payments of interest received by RMDC must be paid forthwith to the FHLB. On April 1, 1999 RMDC loaned these funds to the Roadrunner Residence Limited Partnership, thereby also creating a debt from RMDC to the FHLB. The agreement is unsecured. See Note 4 for disclosure on note receivable from Roadrunner under this agreement.

On January 7, 2000, RMDC signed a \$60,373 note payable to Valley Bank to purchase a house in Townsend to be used by the Head Start program for classroom space. The note bears interest at a rate based on the New York prime rate plus additional 2.25 percentage points with a rate floor of 6.0% and a rate ceiling of 11.0%, adjustable every five years. The note is secured by the related property.

On September 21, 2009, RMDC signed a \$7,285 note payable to Valley Bank to purchase a copier for the Head Start program. The note is secured by the related property. This note was paid in full on September 15, 2014.

On July 28, 2010, RMDC signed a \$550,000 note payable to Mountain West Bank to finance the purchase of a building located at 631 N Last Chance Gulch in Helena (Jackson Street Building). The building, formerly leased, was purchased for use by the Drop In Center and RMDC's programs. The note bears interest at a rate based on the Wall Street Journal prime rate plus additional 1.50 percentage points with a rate floor of 6.5% and a rate ceiling of 10.0%, adjustable every five years. The note is secured by the related property. On September 10, 2014 RMDC and Mountain West Bank signed a "Change in Terms Agreement" for this note. The following changes were made:

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9. LONG-TERM DEBT OBLIGATIONS (CONTINUED)

1) additional 1.50 percentage points were changed to 1.0 percentage points with a current rate set at 4.25%, adjusting every five years, 2) rate floor of 6.5% and rate ceiling of 10.0% were removed, 3) monthly installments of \$3,716 were changed to \$3,073 beginning October 28, 2014.

On October 1, 2010, RMDC acquired Townsend Homestead Manor, a 10 unit, low-income facility in Townsend, Montana. RMDC assumed the prior owner's debt with the U.S. Department of Agriculture (USDA) of \$254,581. The note is secured by the related property.

On May 9, 2012, RMDC signed a \$375,000 note payable to NeighborWorks Montana (NWM) to finance development of affordable housing in the service area of RMDC, including the River Rock Residences project. The note is secured by the River Rock developer fees up to the amount of the loan. This note was paid in full on September 26, 2014.

On December 20, 2011, RMDC signed a \$252,502 unsecured note payable to Mountain West Bank to fund current operations. The principal balance of \$252,502 was originally due on November 30, 2012. The final amendment agreement effective November 7, 2013 extended the due date to October 31, 2014. This note was paid in full on April 16, 2014.

On March 20, 2014 RMDC signed a \$33,141 secured note payable to Mountain West Bank to fund the purchase of two lots designated for construction of homes through the High School House Program operated in conjunction with the Helena School District. The note is secured by related property. This note was paid in full on September 11, 2014 with an advance from a construction line of credit opened on that date to fund construction of the home.

RMFP

On November 1, 2004, RMFP acquired the Elk Creek Lodge facilities in Augusta, Montana. This is an 8 unit complex designated for the low-income elderly population. RMFP assumed the prior owner's debt with USDA of \$62,385. The note is secured by the related property.

On November 1, 2004, RMFP entered into an agreement with USDA to borrow up to \$125,000 to fund the rehabilitation of the Elk Creek Lodge facility. The principal and accrued interest on borrowed monies were deferred until the project was completed. The principal balance, including accrued interest, was \$128,070 at the completion of the project on November 1, 2005. The note is secured by the related property.

On December 1, 2005, RMFP signed a \$40,000 note payable to USDA to fund the completion of the rehabilitation of the Elk Creek Lodge in Augusta. The note is secured by the related property.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9. LONG-TERM DEBT OBLIGATIONS (CONTINUED)

EM III

On June 10, 2009, EM III signed a \$450,000 note payable to Mountain West Bank to complete the financing of the cost of constructing the Eagle Manor III facility in Helena. The note is secured by the related property.

EM II

On March 10, 2010, EM II signed an \$115,682 note payable to Mountain West Bank to finance the rehabilitation of Eagles Manor II in Helena. The note is secured by the related property.

Big Boulder

On October 10, 2012 Big Boulder signed a \$252,257 note payable to Valley Bank to fund reserves and current operations. The note bears interest at a rate based on the Federal Home Loan Bank of Seattle's Intermediate/Long-Term 10 Year Fixed rate plus additional 3.0 percentage points with a rate floor of 5.95% and a rate ceiling of 8.95%, adjustable every 10 years. The note is secured by the related property.

Other Long-Term Debt Obligations

RMDC

During the fiscal year 2012 RMDC entered into an agreement with Lewis & Clark County regarding unpaid insurance premiums of \$459,532. RMDC plans to pay off the remainder of the balance of \$281,846 in approximately \$30,000 annual installments during 10 year period.

On July 2012 RMDC entered into a five year capital lease agreement with MailFinance A Neopost USA Company (MailFinance) to lease a mailing machine with postage meter. At the end of five years RMDC will own the equipment, except the postage meter, per USPS regulations. The capital lease obligation was calculated using the net present value of quarterly payments over the term of the lease, net of maintenance fees and postage meter rent. RMDC used the Federal Reserve prime rate on July 25, 2012 of 3.25% plus additional 2% spread to determine nominal annual interest rate for the net present value calculation.

As described in Note 4, RMDC has advanced grant funds, developer fees earned on housing projects and additional operational support to EM II, EM III, Eagle Rock Inc., River Rock Residences and Big Boulder to support low-income housing development. Payment of these loans and accrued interest is generally subject to available cash as defined in the various partnership agreements. These balances have been eliminated in consolidation.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 10. LEASES

Operating Leases

RMDC has entered into a number of facility lease agreements. These leases provide space for Head Start classrooms, senior centers, RMDC administrative offices and other programs. These leases do not have elements of ownership and are therefore considered operating leases. Rental expense under these operating leases has been included in occupancy expense in the consolidated statement of functional expenses and totaled \$61,083 for the fiscal year ended June 30, 2014.

Some of the operating leases are noncancelable with various expiration dates through 2018. RMDC has the right to terminate these lease agreements due to the lack of funding or in response to a default by the lessor. Future minimum rental payments for leases with initial or remaining noncancelable lease terms in excess of one year are as follows:

2015	\$ 29,220
2016	29,220
2017	18,000
2018	15,000
	<u>\$ 91,440</u>

NOTE 11. TEMPORARILY RESTRICTED NET ASSETS

RMDC and ERI had temporarily restricted net assets of \$147,548 at June 30, 2014. Following is a summary of activity in temporarily restricted net assets during fiscal year 2014:

Beginning Balance, July 1, 2013	\$ 47,695
Donor restricted contributions	124,303
Released through satisfaction of use restrictions	<u>(24,450)</u>
Temporarily restricted net assets, June 30, 2014	<u>\$ 147,548</u>

At June 30, 2014, temporarily restricted net assets were available for the follow programs:

Senior services	\$ 135,553
Spirit of Service program	7,421
Head Start program	1,424
High School House program	1,712
Other	1,438
	<u>\$ 147,548</u>

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 12. NONCONTROLLING INTEREST IN PARTNERSHIP EQUITY

As described in Note 1, the interest in partnership equity held by the limited partners of EMII, EMIII and River Rock is presented as a noncontrolling interest which is a component of consolidated unrestricted net assets:

	Controlling	Noncontrolling	Total
EMII	\$ (74)	\$ 4,378,604	\$ 4,378,530
EMIII	1	3,792,549	3,792,550
Big Boulder	6,390,508	-	6,390,508
River Rock	(2,851)	3,670,289	3,667,438
	<u>\$ 6,387,584</u>	<u>\$ 11,841,442</u>	<u>\$ 18,229,026</u>

The noncontrolling interest in EM II, EM III and River Rock is 99.99%, and profits and losses are allocated accordingly. The limited partner in Big Boulder also holds a 99.99% share of total partners' capital, but is controlled by RMDC, thus is included in the balance reported for controlling interests. Though the noncontrolling interest in each entity is significant, the structure, role and responsibility of the general partner is such that these entities have been consolidated into the financial statements of RMDC.

NOTE 13. DISCONTINUED OPERATIONS

Effective April 1, 2014, RMDC transferred ownership of its Emergency Shelter & Runaway Youth program to Youth Homes in Missoula, Montana. The decision to transfer this program was made by the Board of RMDC because it was not considered one of RMDC's core programs. The operations and cash flows of Emergency Shelter & Runaway Youth program have been eliminated from the continuing operations of RMDC. The results of the discontinued operations for the year ended June 30, 2014 are presented separately in the accompanying consolidated statement of activities. A summary of these results is as follows:

Federal grants	\$ 145,712
State grants	77,567
County support	22,462
Local support	35,136
Donations	9,594
Program service fees	<u>538,406</u>
	828,877
Expenses	<u>864,153</u>
Income/loss from discontinued operations	(35,276)
Loss on disposal of discontinued operations	<u>(15,951)</u>
	<u><u>\$ (51,227)</u></u>

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 13. DISCONTINUED OPERATIONS (CONTINUED)

The components of the loss on disposal are as follows:

Gain on transfer of accrued compensated absences	\$ 17,599
Loss on transfer of fixed assets	(33,550)
Loss on disposal of discontinued operations	<u>\$ (15,951)</u>

NOTE 14. NON-MONETARY TRANSACTIONS

In-Kind Contributions:

In-kind contributions in the accompanying financial statements represent the fair value (as determined by RMDC) of donated goods and services as defined by U.S. GAAP. The corresponding assets or expenses are also reported.

In-kind contributions consist of the following:

Contracted services	\$ 517,471
Supplies and training materials	10,638
Space	33,059
Meals	33,080
Volunteer recognition	4,495
Physical examinations and lab work	11,228
Total in-kind contributions	<u>\$ 609,971</u>

All in-kind contributions were expensed in accordance with U.S. GAAP for the fiscal year ended June 30, 2014.

In-kind contributions were received for the following programs:

Head Start	\$ 559,633
Senior Companion Program	18,662
Foster Grandparent Program	31,091
Retired Senior Volunteer Program	585
Total in-kind contributions	<u>\$ 609,971</u>

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 14. NON-MONETARY TRANSACTIONS (CONTINUED)

In addition to the contributions reported in the tables above, the Head Start program received services valued at \$34,494 that did not meet the guidelines of U.S. GAAP. The value of these services is therefore not reported in the accompanying financial statements. However, the regulations for this program allows the value of these services to be reported as matching funds for grant purposes.

NOTE 15. EMPLOYEE BENEFITS

Retirement Benefits

RMDC has a defined contribution profit sharing retirement plan based on a calendar year managed by a third party administrator. The plan year was changed from calendar year to fiscal year beginning July 1, 2014. RMDC had a short plan year from January 1, 2014 to June 30, 2014. An employee must be at least 21 (changed from 20 beginning January 1, 2014) years of age and complete 12 (changed from six months beginning January 1, 2014) months of service to be eligible to participate in the plan. Head Start employees subject to a collective bargaining agreement participate in the RMDC plan as specified by the agreement.

The employer's contribution to the plan is discretionary. Preliminary and effective contribution rates are approved by the Board of Directors. The effective contribution rates on employees' compensation were calculated for the calendar year 2013 and the short plan year based on the actual amount contributed to the plan by RMDC and total eligible employees compensation for the applicable calendar year or the short plan year. Total RMDC contribution to the plan during the calendar year 2013 and the short plan year were allocated to the individual participants' accounts based on their eligible compensation during the applicable calendar year 2013 or the short plan year multiplied by the effective contribution rate. The preliminary contribution rate on employees' compensation for fiscal year 2014 was set at 3.0%. The effective contribution rates on eligible employees' compensation for the calendar year ended December 31, 2013 and the short plan year ended June 30, 2014 were 4.2% and 3.17%, respectively. The preliminary approved contribution rate for fiscal year 2015 remains at 3.0%. Retirement plan expense was \$91,213 for fiscal year 2014.

The Retirement Plan also includes a 401(k) option. To participate in salary deferrals, employees must meet age eligibility standards as described above. The additional eligibility condition of six months of service was eliminated beginning January 1, 2014. The deferred contributions are not available to participants until they terminate, retire, upon death, or for an eligible emergency. Participants who reach normal retirement age are eligible for in-service distributions.

All assets and income of the plan are held in a custodial account for the exclusive benefit of the plan's participants and beneficiaries.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15. EMPLOYEE BENEFITS (CONTINUED)

Cafeteria Plan

RMDC has a cafeteria plan in which employees may elect to participate. Participating employees elect to have monies withheld pre-tax from their paychecks and contributed to the plan for use in paying health care, day care and insurance premium expenses, in accordance with federal regulations. If the final plan balance has a deficit, RMDC must make an additional contribution to the plan to cover the deficit. If the final plan balance is a surplus, RMDC receives a cash distribution from the plan. The expense or revenue is recorded in the following fiscal year of the plan to reflect the difference between employee's contributions to the plan and eligible claims paid by the plan. RMDC recorded revenue in the amount of \$3,213 in fiscal year 2014 for the plan ended June 30, 2013.

NOTE 16. COMMITMENTS AND CONTINGENCIES

RMDC is a certified Community Housing Development Organization (CHDO). As a CHDO, RMDC has loaned HOME grant funds to other organizations to support the development of low-income housing. Repayment received by RMDC on these loans represents CHDO Proceeds. These CHDO proceeds must be used for HOME eligible activities that support housing for low-income persons. RMDC held \$21,798 CHDO proceeds as of June 30, 2014.

Housing Commitments

RMDC has developed several housing projects, and entities to operate the facilities, utilizing federal grants and tax credits that subject the entities and RMDC to ongoing obligations regarding compliance with funding source regulations. These are described below for each individual project. Management has evaluated these commitments and concluded no events have occurred that would require RMDC or the entities to record a liability or that would otherwise materially affect the accompanying financial statements.

Roadrunner Low-Income Housing Project

On December 1, 1998, RMDC executed a guaranty agreement for the Roadrunner Low-Income Housing Project, guaranteeing due payment, performance and fulfillment of all liabilities, obligations and undertakings of the Helena Housing Development Corporation, the general partner of the partnership, under the Partnership Agreement, Operating Deficit Guaranty Agreement, Construction Completion Guaranty Agreement, Repurchase Guaranty Agreement, and Asset Management Agreement. The significant obligations under the preceding agreements are summarized as follows:

The general partner is obligated to repurchase the interest of the limited partners for a purchase price equal to the sum of the total capital contributions made by the limited partners, plus \$60,149, which represents costs incurred by the limited partners, if;

- the funding on the mortgage loan has been terminated or foreclosure proceedings have been undertaken by the lender; or,
- at any time the general partner is personally liable under, or with respect to, the mortgage loan

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 16. COMMITMENTS AND CONTINGENCIES (CONTINUED)

or any other loan secured by partnership assets; or,

- any representation or warranty made by the general partner in the partnership agreement proves to be false in any material respect; or,
- the apartment complex fails to obtain and retain an allocation of low-income housing credits or fails to meet the requirements for a qualified low-income housing project.

The termination of the partnership is expected to occur at the end of 2015, the fifteen-year tax credit period, by mutual consent of the general and limited partners. The partnership agreement calls for termination of the partnership at December 31, 2050 if an earlier consensual termination has not occurred.

Ptarmigan

On November 20, 2000, RMDC executed a guaranty agreement for Ptarmigan. The agreement provides that RMDC unconditionally guarantees due payment, performance, and fulfillment of all liabilities, obligations and undertakings of Ptarmigan's general partner, RMDC Ptarmigan, Inc., arising under the Amended and Restated Partnership Agreement, Operating Deficit Guaranty Agreement, Construction Completion Guaranty Agreement, Repurchase Guaranty Agreement, Asset Management Agreement, and Administrative Services Agreement. The guaranty applies to Ptarmigan, its limited partners and successors, including Countryside Corporate Tax Credits VIII, LP.

The significant obligations under the preceding agreements are summarized as follows: The general partner is obligated to repurchase the interest of the limited partner for a purchase price equal to the sum of the total capital contributions made by the limited partners, plus \$125,449, which represents an allocation of the limited partner's organizational and offering expenses and fees, less the aggregate amount of cash distributions paid to the limited partner, if;

- the funding on the mortgage loan has been terminated or foreclosure proceedings have been undertaken by the lender; or,
- at any time the general partner is personally liable under, or with respect to, the mortgage loan or any other loan secured by partnership assets; or,
- any representation or warranty made by the general partner in the partnership agreement proves to be false in any material respect; or,
- the housing complex fails to retain an allocation of low-income housing credits or fails to meet the requirements for a qualified low-income housing project.

The partnership agreement calls for continuation of the partnership until December 31, 2055 if an earlier consensual termination has not occurred.

Pheasant Glen

On December 1, 2002, RMDC executed a guaranty agreement for Pheasant Glen. The agreement

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 16. COMMITMENTS AND CONTINGENCIES (CONTINUED)

provides that RMDC unconditionally guarantees due payment, performance, and fulfillment of all liabilities, obligations and undertakings of Pheasant Glen's general partner, RMDC Ptarmigan, Inc., arising under the Amended and Restated Partnership Agreement, Operating Deficit Guaranty Agreement, Construction Completion Guaranty Agreement, Repurchase Guaranty Agreement, and Asset Management Agreement. The guaranty applies to Pheasant Glen, its limited partners and successors, including MMA Financial Institution Tax Credits XXIV and Michael Properties SLP.

The significant obligations under these agreements are summarized as follows:

The general partner is obligated to repurchase the interest of the limited partner for a purchase price equal to the sum of the total capital contributions made by the limited partners, plus any interest or penalties assessed by the IRS as a result of any recapture of tax credits, less cash distributions paid to the limited partners and an amount equal to 78.0095% of the amount of any tax credits previously allocated to the limited partner which are not subject to recapture, if:

- the funding on the mortgage loan has been terminated or foreclosure proceedings have been undertaken by the lender; or,
- at any time the general partner is personally liable under, or with respect to, the mortgage loan or any other loan secured by partnership assets; or,
- any representation or warranty made by the general partner in the partnership agreement proves to be false in any material respect; or,
- the housing complex fails to retain an allocation of low-income housing credits or fails to meet the requirements for a qualified low-income housing project; or,
- at any time construction or operation of the complex is enjoined by a final order of a court having jurisdiction and such injunction continues for a period of thirty days; or,
- a casualty occurs resulting in substantial destruction of more than 50% of the complex, or there is substantial destruction of less than 50% of the complex and the insurance proceeds are insufficient to restore the complex or the complex is not restored within 24 months following such casualty.

The partnership agreement calls for continuation of the partnership until July 10, 2052 if an earlier consensual termination has not occurred.

Penkay

On February 24, 2006, RMDC executed a guaranty agreement for Penkay. The agreement provides that RMDC unconditionally guarantees due payment, performance, and fulfillment of all liabilities, obligations and undertakings of Penkay's general partner, RMDC Penkay LLC, arising under the Amended and Restated Partnership Agreement and the Development Agreement. The guaranty applies to Penkay, its limited partners and successors, including Homestead Equity Fund VI, LP and Homestead SLP, LLC.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 16. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The partnership agreement contains the following obligations:

The general partner is obligated to repurchase the interest of the limited partners for a purchase price equal to the sum of the total capital contributions made by the limited partners, plus the legal, accounting and internal costs incurred by the limited partner in connection with its investment in the partnership (subject to a \$75,000 cap), plus any interest or penalties assessed by the IRS as a result of any recapture of tax credits, plus all transfer taxes or similar assessments incurred by the limited partners in connection with the sale. In the event a repurchase occurs, the limited partners must transfer their partnership interest to the general partner. As of June 30, 2014 the partnership interest of the limited partner was \$1,372,747. At June 30, 2014 the book value of the partnership's capital assets totaled approximately \$3.9 million.

These assets serve as collateral in the event the limited partners exercise the repurchase option. The limited partners may exercise this option if:

- the partnership's basis in the complex for federal income tax purposes is less than 10% of the partnership's reasonably expected basis as required by IRS code or the tax credit requirements are not otherwise satisfied; or,
- the partnership fails to meet the Minimum Set-Aside Test and the Rent Restriction Test by the close of the first year of the credit period or at any time thereafter.

The guaranty also applies to Penkay's mortgage and replacement reserve requirements. The mortgage balance was \$300,897 at June 30, 2014. Beginning January 2007, the general partner, or RMDC as the guarantor, was required to ensure that \$250 per unit is contributed annually to the replacement reserve, resulting in an initial contribution of \$16,500. This required contribution increases 3% each succeeding year. If the partnership's available cash is not sufficient to fund this contribution, the general partner or the guarantor are required to make an operating deficit loan to cover the deficiency.

The general partner, or RMDC as guarantor, is responsible for compensating the limited partner an amount equal to .901 times the amount the allowed tax credits fall short of \$391,264. This requirement applies each year during the tax credit period, which runs from 2006 through 2015.

Under this provision, the maximum annual liability of the general partner or RMDC is \$352,529, plus any related interest or penalties imposed by the IRS. The general partner's and RMDC's aggregate liability is limited to \$650,000.

As of June 30, 2014, the Operating Deficit Reserve Account balance was \$110,011. The funds in this account can be used with the general and limited partners' approval to cover operating expenses,

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 16. COMMITMENTS AND CONTINGENCIES (CONTINUED)

debt service obligations or other partnership expenses when cash is insufficient.

The partnership agreement calls for continuation of the partnership until November 25, 2053, except that the partnership may be dissolved prior to such date upon a sale or other disposition of the partnership's assets, or a consensual termination.

EM III

On August 15, 2007, EM III amended its partnership agreement. The amendments redefine the responsibilities of the partnership's general and limited partners. This was in response to the replacement of RMDC as the limited partner by Homestead Equity Fund VI, LP and Homestead SLP, LLC on June 30, 2007. The amended agreement places the following significant obligations upon Penkay Eagles Manor, Inc., the general partner:

- The partnership agreement calls for continuation of the partnership until July 6, 2011, and thereafter as renewed under Montana law, except that the partnership may be dissolved prior to such date upon a sale or other disposition of the partnership's assets, or a consensual termination. Under certain circumstances, the general partner is obligated to repurchase the interest of the limited partners for a purchase price equal to the sum of the total capital contributions made by the limited partners, plus interest at the rate of 7% per annum from the date of such capital contribution. In the event a repurchase occurs, the limited partners must transfer their partnership interest to the general partner. As of June 30, 2014 the partnership interest of the limited partner was \$3,792,549. At June 30, 2014, the book value of the partnership's capital assets totaled approximately \$5 million. These assets serve as collateral in the event the limited partners exercise the repurchase option. The limited partners may exercise this option if the partnership fails to meet the Minimum Set-Aside Test.

If an operating deficit exists, then the general partner must lend funds to the partnership in an amount equal to the deficit. The obligation is limited to the maximum advance amount of \$600,000.

EM II

On January 6, 2009, EM II amended its partnership agreement. The amendments redefine the responsibilities of the partnership's general and limited partners. This was in response to the replacement of RMDC as the limited partner by Mountain Plains Equity Group Special Fund II, LP and Mountain Plains Equity Group Acceptance Corporation, SLP. The amended agreement places the following significant obligations upon RMDC Eagles Manor II, LLC, the general partner:

The partnership agreement calls for continuation of the partnership until December 31, 2058, except that the partnership may be dissolved prior to such date upon a sale or other disposition of the partnership's assets, or a consensual termination. Under certain circumstances, the general partner and RMDC, as a guarantor, are obligated to repurchase the interest of the limited partners for a purchase price equal to the sum of the total capital contributions made by the limited partners, plus

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 16. COMMITMENTS AND CONTINGENCIES (CONTINUED)

the legal, accounting and internal costs incurred by the limited partners in connection with their investment in the partnership (subject to a \$75,000 cap).

- In the event a repurchase occurs, the limited partners must transfer their partnership interest to the general partner. As of June 30, 2014, the partnership interest of the limited partner was \$4,378,604. As of June 30, 2014, the book value of the partnership's capital assets totaled approximately \$5.5 million. These assets serve as collateral in the event the limited partners exercise the repurchase option. The limited partners may exercise this option if the complex is not constructed in accordance with the construction plans or the Fair Housing Act of 1988 as amended. If at any time after construction is complete an operating deficit exists, the general partner must lend funds to the partnership in an amount equal to the deficit. The loan shall bear interest at a rate of 4% per annum and shall be repayable from cash flow.

River Rock

On October 31, 2012, RMDC executed a guaranty agreement for River Rock. The agreement Provides that RMDC unconditionally guarantees punctual performance of all obligations of River Rock's general partner, RMDC River Rock LLC, arising under the First Amended and Restated Agreement of Limited Partnership and the Development Services Agreement. The guarantee applies to River Rock and it's limited partner, American Express - Utah Equity Fund.

If an operating deficit exists, then the general partner must lend funds to the partnership in an amount equal to the deficit. The obligation is limited to the maximum advance amount of \$78,000.

RMDC and Affiliates:

RMDC and its consolidated related parties are involved in various legal actions and claims in the ordinary course of business. It is the opinion of management (based on legal counsel) that such litigation and claims will be resolved without material effect on RMDC or its consolidated related parties' financial position.

NOTE 17. CONDITIONAL PROMISES TO GIVE

Conditional promises to give arise from grant/contract activities that are underway at fiscal year-end, but which are not complete. The following schedule reflects the value of conditional promises to give received by RMDC that are outstanding at June 30, 2014:

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17. CONDITIONAL PROMISES TO GIVE (CONTINUED)

<u>Program/Contract</u>	<u>Grant/Contract Period Ends</u>	<u>Amount</u>
Head Start	April 30, 2015	\$ 1,798,564
Striving Readers (OPI)	September 30, 2014	26,348
Community Services Block Grant	December 31, 2014	189,251
Commodities Supplemental Food	September 30, 2014	10,030
MIPPA (Part of Area IV on Aging)	September 29, 2014	4,252
Missoula Aging Services (SMP)	May 31, 2015	15,591
New Freedom Program	December 31, 2014	18,344
Community Development Block Grant	December 31, 2014	38,000
Northwestern Energy Weatherization	December 12, 2014	158,540
Northwestern Energy Penalty Weatherization	December 31, 2014	34,916
LIEAP Client Ed	September 30, 2014	6,995
LIEAP Administration	September 30, 2014	8,941
LIEAP Outreach	September 30, 2014	6,731
Emergency Solutions (Homelessness Prevention)	August 31, 2014	5,318
Emergency Solutions (Homelessness Prevention)	March 31, 2015	38,412
Total conditional promises to give		<u>\$ 2,360,233</u>

NOTE 18. RECOVERY OF GENERAL AND ADMINISTRATIVE COSTS

As described in Note 1, RMDC recovers shared general and administrative expenses through an approved indirect cost rate and various allocation plans. Following is a summary of the general and administrative costs recovered in fiscal year ended June 30, 2014:

General and administrative expenses	
Indirect cost pool	\$ 824,548
Supporting services	833,764
Total general and administrative	<u>1,658,312</u>
Less:	
Indirect costs recovered at approved provisional rate (13.1%) from continuing operations	(738,082)
Indirect costs recovered at approved provisional rate (13.1%) from discontinued operations	(94,184)
Supporting services expenses recovered from continuing operations	(776,813)
Supporting services expenses recovered from discontinued operations	(66,963)
	<u>\$ (17,730)</u>

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 19. SUBSEQUENT EVENTS

Following are subsequent events requiring disclosure:

On September 11, 2014, RMDC opened a \$231,000 construction line of credit at 4.25% at Mountain West Bank (First Interstate Bank as of October 20, 2014). The purpose of the line of credit is to finance construction of RMDC's 2015 High School House, a duplex located at 1809 Butte Avenue in Helena, Montana. Construction on the project began in September 2014 and is expected to be complete by June 2015. The loan matures on September 11, 2015. RMDC anticipates that the construction line of credit will be paid in full when the duplex is sold.

Construction on River Rock Residences began in August 2012 and was substantially completed on August 1, 2013. On September 24, 2014, the line of credit was paid in full with the final limited partner equity contribution.

On September 26, 2014 the \$375,000 note payable to NeighborWorks Montana was paid in full with funds received from RMDC's River Rock developer fee.

SINGLE AUDIT SECTION

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Expenditures
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
Direct Programs			
Foster Grandparent/Senior Companion Cluster:			
Foster Grandparents	94.011	12SFPMT003	\$ 360,421
Senior Companion	94.016	12SCPMT003	492,981
Total FosterGrandparent/Senior Companion Cluster			853,402
Retired Senior Volunteer	94.002	12SRPMT008	70,175
Total Corporation for National and Community Service			923,577
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Direct Programs			
Head Start Cluster:			
Head Start	93.600	08CH003548	1,663,313
		08CH103501	214,829
Total Head Start Cluster, Health and Human Services			1,878,142
Passed through State Department of Public Health and Human Services			
Community Services Block Grant Cluster:			
Community Services Block Grant	93.569	12-028-10006-0	1,464
		13-028-10006-0	157,794
		14-028-10006-0	26,377
Total Community Services Block Grant Cluster			185,635
Low-Income Home Energy	93.568	13-028-11006-0	42,769
		14-028-11006-0	146,572
		12-028-16006-0	4,698
		13-028-11056-0	2,048
		14-028-15056-0	21,959
		14-028-14020-0	31,535
		13-028-16006-0	213,758
Subtotal Low-Income Home Energy			463,339
Montana Arthritis Program	93.945	Agreement	2,764
Special Programs for the Aging			
Aging Cluster:			
Title III - Supportive Services and Senior Centers	93.044		198,731
Title III - Nutrition Services	93.045		400,738
Nutrition Services Incentive Program	93.053		161,895
Total Aging Cluster			761,364
Health Care Financing Research, Demonstrations and Evaluations	93.779		7,808
Title VII - Long Term Care Ombudsman Services for Older Individuals	93.042		9,142
Title III - Disease Prevention and Health Promotion Services	93.043		14,720
Training, Research and Discretionary Projects and Programs	93.048		17,391
National Family Caregiver Support	93.052		83,903
Centers for Medicare and Medicaid Services Research, Demonstrations and Eval.	93.779		24,060
Total Aging Programs			918,388
Total Passed through State Department of Public Health and Human Services			1,570,126
Total U.S. Department of Health and Human Services			3,448,268

See Notes to the Schedule of Expenditures of Federal Awards

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through State Department of Public Health and Human Services			
Child and Adult Care Food Program	10.558	12-02-CACFP-150	108,626
Child and Adult Care Food Program	10.558	12-02-CACFP-151	6,660
			<u>115,286</u>
Commodity Supplemental Food Program	10.565	13-027-21007-0	7,266
	10.565	14-027-21007-0	26,795
			<u>34,061</u>
Rural Rental Housing Loans	10.415	Agreement	33,174
Subtotal DPHHS Pass Through			<u>182,521</u>
Passed through State Office of Public Instruction			
National School Lunch Program	10.555	OPI 25-6579	6,334
School Breakfast Program	10.553	OPI 25-6579	4,920
Subtotal OPI Pass Through			<u>11,254</u>
Total U.S. Department of Agriculture			<u>193,775</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Passed through State Department of Public Health and Human Services			
Weatherization Assistance for Low-Income Persons	81.042	12-028-30026-0	34,624
Exxon Corporation and Stripper Well	81.042	13-028-30026-0	26,402
Total U.S. Department of Energy			<u>61,026</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Passed through State Department of Commerce			
HOME Grant	14.239	M11-SG300100-18	31,988
			<u>31,988</u>
First Time Home Buyers & Dollars & Sense	14.169	Agreement	27,884
Subtotal DOC Pass Through			<u>59,872</u>
Passed through State Department of Public Health and Human Services			
Emergency Shelter Grant Program	14.231	13-028-51006-0	32,249
		12-028-51006-0	12,693
Subtotal			<u>44,942</u>
Total U.S. Department of Housing and Urban Development			<u>104,814</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed through State Office of Public Instruction			
Striving Readers	84.371	Agreement	103,222
Total U.S. Department of Education			<u>103,222</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Passed through State Department of Transportation			
New Freedom Program	20.521	Contract 106475	48,539
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Programs			
Emergency Food and Shelter Program Cluster:			
Emergency Food and Shelter National Board Program	97.024	557800-014	873
Total Emergency Food and Shelter Program Cluster			<u>873</u>
Total expenditures of federal awards			<u>\$ 4,884,094</u>

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
June 30, 2014

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the activity of Rocky Mountain Development Council, Inc. (RMDC) as described in Note 1 of the accompanying Notes to Consolidated Financial Statements. The information in this schedule is presented on the accrual basis of accounting as described in Note 1 of the accompanying Notes to Consolidated Financial Statements.

All federal awards received by RMDC are considered conditional grants and therefore revenue is recognized when qualifying expenses have been incurred.

NOTE 2. SUBRECIPIENTS

Of the federal expenses included in the accompanying Schedule of Expenditures of Federal Awards, RMDC provided federal awards to subrecipients for the following programs:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Special Programs for the Aging:		
Supportive Services & Senior Centers	93.044	\$ 47,432
Nutrition Services	93.045	174,298
National Family Caregiver Support	93.052	13,546
Nutrition Services Incentive Program	93.053	109,483
Emergency Shelter Grant Program	14.231	31,944
HOME Grant, River Rock	14.239	31,988
		<u>\$ 408,691</u>

NOTE 3. RECONCILIATION TO FINANCIAL STATEMENTS

Following is a reconciliation of the total expenditures on the Schedule of Expenditures of Federal Awards to federal grant revenue shown on the Consolidated Statement of Activities:

Total expenditures of federal awards	\$ 4,884,094
Less:	
Federal funds included in discontinued operations	\$ (145,712)
Plus:	
Rent subsidy received by RMFP from Rural Development	34,669
Interest subsidy received by RMFP from Rural Development	8,034
Rent subsidy received by EMII from HUD	120,217
Rent subsidy received by EMIII from HUD	86,063
Rent subsidy received by Big Boulder from HUD	94,612
Rent subsidy received by River Rock from HUD	20,111
Total federal grant revenue	<u>\$ 5,102,088</u>

NOTE 4. HOME CHDO PROCEEDS

RMDC is a certified Community Housing Development Organization (CHDO). As a CHDO, RMDC has loaned HOME grant funds to other organizations to support the development of low-income housing. Repayment received by RMDC on these loans represent CHDO proceeds. These CHDO proceeds must be used for HOME eligible activities that support housing for low-income persons. RMDC had available CHDO proceeds of \$111,918 of which \$90,120 was disbursed for HOME eligible activities leaving \$21,798 available at June 30, 2014.

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
Rocky Mountain Development Council, Inc.
Helena, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rocky Mountain Development Council, Inc. (RMDC), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered RMDC'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of RMDC's internal control. Accordingly, we do not express an opinion on the effectiveness of RMDC's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether RMDC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Anderson Zurmuehlen & Co., P.C.".

Helena, Montana
December 18, 2014

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133

To the Board of Directors
Rocky Mountain Development Council, Inc.
Helena, Montana

Report on Compliance for Each Major Federal Program

We have audited Rocky Mountain Development Council's (RMDC) s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of RMDC's major federal programs for the year ended June 30, 2014. RMDC'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of RMDC'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 RMDC'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 RMDC's compliance.

Opinion on Each Major Federal Program

In our opinion, RMDC's 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, 2014.

Other Matter

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-02. Our opinion on each major federal program is not modified with respect to these matters.

RMDC's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. RMDC's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Opinion on Each Major Federal Program

In our opinion, RMDC's 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, 2014.

Report on Internal Control over Compliance

Management of RMDC 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 RMDC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 RMDC'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 section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item #2014-01, that we consider to be a significant deficiency.

RMDC's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. RMDC's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Helena, Montana
December 18, 2014

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014

SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency not considered material weakness identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal Control over major programs:	
Material weakness identified?	No
Significant deficiency not considered material weakness identified?	Yes

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	Yes
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Identification of major programs:

Name of Federal Program or Cluster	CFDA Number
Head Start	93.600
Foster Grandparents/Senior Companions Cluster:	
Foster Grandparents	94.011
Senior Companions	94.016
Low Income Home Energy Program	93.568

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	No
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FINDINGS AND SIGNIFICANT DEFICIENCIES OR MATERIAL WEAKNESSES - FINANCIAL STATEMENT AUDIT

None reported.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

See Schedule of Findings and Questioned Costs, #2014-1 and #2014-2

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2014

#2014-1 Foster Grandparents, CFDA No. 94.011 and Senior Companion, CFDA No. 94.016;
Head Start Cluster, CFDA No. 93.600
Compliance Requirement: Reporting

Condition: We noted that federal reports were not reviewed before they were submitted to the grantor agencies.

Criteria: Controls should be in place to allow for consistent and timely review of federal reports.

Effect: Actual revenue and expenses reported on the federal reports could be materially incorrect.

Perspective: During the fiscal year ended June 30, 2014, we noted eight instances of federal reports being submitted without timely review in these three programs. This lapse in controls is considered to be a significant deficiency in internal control over compliance. Reports were reviewed at a later date by a member of the fiscal staff. Of the reports we reviewed, we noted only one error in the reports submitted. This report was revised and resubmitted during the audit.

Cause: The work load RMDC exceeded staff capacity during the fiscal year.

Questioned Costs: None reported.

Recommendation: We recommend RMDC review all federal reports prior to being submitted.

Management

Response: Contact: Julie Serstad, Executive Director
Concur. See corrective action plan.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2014

#2014-2 Senior Companion, CFDA No. 94.016 and Foster Grandparents, CFDA No. 94.011
Compliance Requirement: Eligibility

Condition: We noted instances of noncompliance with certain aspects of the eligibility standard regarding the National Service Criminal History Check and self-certification requirement.

Criteria: RMDC should comply with all eligibility standards.

Effect: Failure to adhere to these requirements could potentially endanger the individuals served by program participants and result in questioned costs.

Perspective: The error was observed in all three individuals tested to whom the requirement applied. The eligibility standard regarding the criminal background check process varies according to the date on which the Senior Companion or Foster Grandparent entered the program. For those individuals who entered the program prior to November 23, 2007 and continuing to serve after January 1, 2013, there must be both a background check completed and a self-certification that the program participant has not been convicted of murder. There were no self-certifications on file for the three applicants tested to whom the requirement applied.

It was noted by the grantor that widespread confusion existed nationally regarding the requirements for criminal background checks. As a result, the grantor established a self-assessment program to be completed by all programs by December 5, 2014. Programs which completed the assessment and required measures to comply with the standards were not subject to disallowed costs.

Cause: See above regarding confusion over application of the criminal background investigation standards. The missing physical examination report is considered an isolated incident.

Questioned Costs: None reported.

Recommendation: We recommend RMDC review its existing procedures regarding eligibility standards to ensure full compliance.

Management

Response: Contact: Julie Serstad, Executive Director
Concur. See corrective action plan.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2014

#2013-01 Low Income Home Energy Assistance Program, CFDA No. 93.568
Compliance Requirement: Reporting

Last year we reported there was no system in place for the program manager to monitor program expenses compared to approved grantor budgets consistently during the fiscal year. We recommended RMDC implement controls to allow for consistent and timely monitoring of program expenses. During our current audit, we noted this recommendation had been implemented.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
CORRECTIVE ACTION PLAN
Year Ended June 30, 2014

To: Anderson ZurMuehlen & Co. P.C

From: Julie Serstad, Executive Director

Date: December 16, 2014

Re: RMDC Corrective Action Plan

Finding #2014-1

During the audit of the fiscal year ending June 30, 2014, a reporting deficiency was noted related to federal reports filed for the Foster Grandparents, Senior Companions and Head Start programs. RMDC filed the reports on time, but in some cases these reports were submitted without proper review prior to submission. RMDC has a process in place whereby all federal reports are reviewed by the Finance Director and the Program Director for the specific program. In the past, this review has occurred after report submission in some cases.

RMDC fiscal staff acknowledge the auditor's recommendation that federal reports should be reviewed by someone other than the preparer prior to submission. RMDC has revised the review process for federal reports in accordance with the recommendation, effective immediately.

Finding #2014-2

During the audit for the Senior Companion and Foster Grandparent Programs a deficiency was found regarding procedures for the National Service Criminal History Check Self Certification Statement. All volunteers hired prior to Oct 1, 2009 must self- certify that they have not been convicted of murder.

A final rule implementing this requirement went into effect January 1, 2013. Both programs were found out of compliance. Since being notified of the finding, corrective action has been implemented and completed. All volunteers hired prior to Oct 1, 2009 have all signed and certified under the penalty of perjury that they have not been convicted of murder.

SUPPLEMENTARY INFORMATION

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
SUMMARY OF PROGRAMS BY GRANTOR AGENCIES
Year Ended June 30, 2014

RMDC has many programs funded by federal, state and local sources. Below is a summary, by grantor agency, of the more significant programs administered by RMDC.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:

The Corporation is the federal umbrella agency for volunteer programs including the Foster Grandparent Program, Retired Senior Volunteer Program and Senior Companion Program. These programs are designed to provide meaningful part-time volunteer opportunities for senior citizens.

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES – Head Start:

The Head Start Program serves more than 200 low-income children and their families in Lewis & Clark, Broadwater and Jefferson Counties. The comprehensive program provides support for children and their parents in the areas of health, nutrition, disabilities, mental health, and transportation. The goal is to help children succeed in education by supporting growth and developmental needs while engaging the parents in the process.

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES – Other:

Community Services Block Grant funds are used to assist low-income individuals and to also provide for community collaboration on issues related to poverty.

Emergency Shelter Grant Program funds are used to provide shelter and medical services to eligible homeless individuals.

Child and Adult Care Food Program provides subsidy to help cover the costs of providing breakfast, lunch and snacks to the Head Start Program and Rocky Mountain Preschool.

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES – Weatherization & Low - Income Energy Assistance:

Weatherization programs are designed to help conserve energy and reduce the impact of rising energy costs for low-income individuals through the installation of energy conserving measures in their homes. The program also helps clients with the cost of their fuel bill and helps cover the utility deposit costs to the local energy provider. The programs are funded by the U. S. Department of Energy, Northwestern Energy, Energy Share of Montana, and Low Income Energy Assistance through the Department of Public Health and Human Services.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
SUMMARY OF PROGRAMS BY GRANTOR AGENCIES
Year Ended June 30, 2014

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES – Aging and Nutrition:

Agency IV Agency on Aging (Area IV) advocates for senior citizens and develops and coordinates programs for senior citizens in a six-county area.

The funds received by Area IV are distributed to various agencies in a six-county area including RMDC. The types of services provided are: in-home care, transportation, outreach services, and legal services; congregate and home delivered meals; in-home services to senior citizens and their families, especially victims of dementia disorders; development of health promotion activities and assistance for senior citizens; long-term care ombudsman services, assistance with elder abuse prevention; and insurance counseling and assistance.

RMDC receives other funding from the Department of Public Health and Human Services from Medicaid for the home delivered meals program and Area IV case management program to provide services to residents in several Montana counties.

The Commodities Program provides education information and food to eligible senior citizens in Lewis & Clark, Broadwater, Jefferson and Meagher Counties.

DEPARTMENT OF COMMERCE - Montana Board of Housing:

The Montana Board of Housing (MBOH) administers a variety of programs supported by federal funding that are intended to promote the development of affordable housing for low-income or disabled individuals. The Housing Program has received loans, grants and other funding through the MBOH, either directly or indirectly, for its housing projects. Major sources of funding include the Community Development Block Grant and the HOME Investments Partnerships Programs.

OFFICE OF PUBLIC INSTRUCTION:

The Montana Striving Readers program is designed to improve the school readiness and success of disadvantaged youth by advancing their literacy skills through a comprehensive approach to literacy development (based on Montana's Literacy Plan) with an emphasis on data-based decision making and effective use of technology.

The School Breakfast Program and the National School Lunch Program provides breakfast, lunch and snacks to teenage clients residing at Emergency Shelter & Runaway Youth program.

DEPARTMENT OF TRANSPORTATION:

New Freedoms Program funding is received through the Montana Department of Transportation and the City of Helena to provide disabled individuals with transportation services.

COUNTY FUNDING – Other Programs:

RMDC receives funding from Lewis & Clark, Broadwater and Jefferson Counties to deliver the following program services: Senior Nutrition, Senior Center operations, Senior Transportation, Corporation for National and Community Service Programs (Senior Volunteer Services), Area IV Agency on Aging, and Mental Health Service Coordination.

LOCAL FUNDING – Other Programs:

RMDC receives funding from the United Way of Lewis & Clark County for the following programs: Head Start, Home Delivered Meals, Rocky Mountain Youth Resources, Compeer, and the Retired Senior Volunteer Program.

RMDC receives funding from the United Way of Beaverhead County for the Senior Companion Program.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
SCHEDULE OF INDIRECT COST RECONCILIATION
June 30, 2014

Total expenditures from continuing operations:

Program services	\$9,739,249
General and administrative	1,658,312
Recovery of indirect costs from continuing operations - general and administrative	(738,082)
Recovery of indirect costs from discontinued operations - general and administrative	(94,184)
Recovery of other allocated costs from continuing operations - general and administrative	(776,813)
Recovery of other allocated costs from discontinued operations - general and administrative	(66,963)
Fundraising	2,508
Total expenditures from continuing operations	<u>9,724,027</u>

Total expenditures from discontinued operations (Emergency Shelter & Runaway Youth):

Loss on discontinued operations	51,227
Revenue from discontinued operations	828,877
Total expenditures from discontinued operations	<u>880,104</u>

Less:

Indirect costs	(763,429)
Exclusions:	
Commodities	(20,433)
Depreciation	(160,196)
In-kind	(609,971)
Pass-through	(616,138)
Consolidated properties' expenses, net of eliminations	(1,938,665)
Assistance payments	(102,711)
Bad debt	(23,462)
Loss on discontinued operations (Emergency Shelter & Runaway Youth)	(15,951)

Indirect cost base expenditures

6,353,175

Indirect cost rate

13.10%

Total indirect cost charges

\$ 832,266

Allocated indirect costs by program:

Aging & Nutrition	\$ 115,982
Senior Volunteer Services	124,322
Housing	66,014
Other	5,039
Preschool/Childcare	257,799
Senior Activities	4,059
Transportation	6,082
Weatherization	68,871
General and administrative	89,652
Fundraising	262
Discontinued operations (Emergency Shelter & Runaway Youth)	94,184
Total indirect cost charges to programs	<u>\$ 832,266</u>

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
SCHEDULE OF TRANSFERS
June 30, 2014

County Mill Fund Transfers

Sources:

Carried Forward from Fiscal Year 2013	\$ 46,394
Lewis and Clark County	327,047
Jefferson County	53,040
Broadwater County	<u>32,240</u>
Total County Mill Funds Received	<u>\$ 458,721</u>

Program Recipients:

Congregate Meals	\$ 20,888
Home Delivered Meals	82,839
Area IV on Aging	17,404
Senior Companion Program	27,228
Foster Grandparent Program	29,469
Retired Senior Volunteer Program	17,689
Augusta Senior Center	10,736
Senior Services & Transportation	47,090
Senior Space	48,712
Emergency Shelter & Runaway Youth	22,463
Commodities	<u>112</u>
Total County Mill Funds Transferred	324,630
Carry Forward to Fiscal Year 2015	<u>134,091</u>
Total County Mill Funds	<u>\$ 458,721</u>

Community Service Block Grant Transfers

Program Recipients:

Commodities	\$ 2,156
Head Start	431
Emergency Shelter & Runaway Youth	133,586
Weatherization/Energy Assistance	874
Emergency Shelter/Homelessness	<u>1,237</u>
Total Community Service Block Grant Transfers	<u>\$ 138,284</u>

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
June 30, 2014

ASSETS	RMDC	RMFP	ERI	EMII	EMIII
CURRENT ASSETS					
Cash and cash equivalents, operations	\$ 730,334	\$ 2,325	\$ 56,824	\$ 30,180	\$ 25,838
Cash and cash equivalents, custodial	117,531	-	-	-	-
Accounts receivable	128,586	3,843	2,905	966	460
Related party receivable	426,164	-	23,295	146	13
Grants receivable	252,993	-	-	-	-
Current portion of notes and interest receivable	11,532	-	-	-	-
Prepaid deposits and expenses	37,722	3,629	1,084	3,167	2,817
Inventory	33,167	-	6,172	-	-
High School House Project	88,016	-	-	-	-
Total current assets	<u>1,826,045</u>	<u>9,797</u>	<u>90,280</u>	<u>34,459</u>	<u>29,128</u>
FIXED ASSETS					
Land	278,244	22,495	-	147,742	198,317
Land improvements, net	21,465	-	-	16,041	6,492
Leasehold improvements, net	55,450	-	-	-	-
Buildings, net	1,655,657	132,399	-	5,336,964	4,850,089
Equipment, net	202,118	80	20,653	6,755	3,434
Total fixed assets	<u>2,212,934</u>	<u>154,974</u>	<u>20,653</u>	<u>5,507,502</u>	<u>5,058,332</u>
OTHER ASSETS					
Investments	6,010	-	-	-	-
Cash restricted for security deposits and reserves	49,870	16,063	-	211,680	145,169
Long-term related party receivable	29,666	-	-	-	-
Long-term notes and interest receivable	8,730,353	-	-	-	-
Long-term accounts receivable	-	-	7,152	-	-
Deferred costs, net	-	-	-	14,854	9,330
Total other assets	<u>8,815,899</u>	<u>16,063</u>	<u>7,152</u>	<u>226,534</u>	<u>154,499</u>
Total assets	<u>\$ 12,854,878</u>	<u>\$ 180,834</u>	<u>\$ 118,085</u>	<u>\$ 5,768,495</u>	<u>\$ 5,241,959</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 486,843	\$ 17,887	\$ 26,464	\$ 18,145	\$ 35,553
Cash and cash equivalents held for others	117,531	-	-	-	-
Compensated absences	294,285	-	14,915	-	-
Refundable advances/Deferred Revenue	109,271	1,448	358	13,757	11,017
Current portion of long-term debt	458,340	2,972	-	1,883	7,474
Line of credit advances	-	-	-	-	-
Total current liabilities	<u>1,466,270</u>	<u>22,307</u>	<u>41,737</u>	<u>33,785</u>	<u>54,044</u>
LONG TERM DEBT					
Notes and interest payable	818,330	207,245	212,968	1,356,180	1,395,365
Other liabilities	254,335	-	-	-	-
Total long term liabilities	<u>1,072,665</u>	<u>207,245</u>	<u>212,968</u>	<u>1,356,180</u>	<u>1,395,365</u>
Total liabilities	2,538,935	229,552	254,705	1,389,965	1,449,409
NET ASSETS					
Unrestricted net assets and controlling interests in partnerships	10,168,513	(53,718)	(136,738)	(74)	1
Noncontrolling interests in partnerships	-	-	-	4,378,604	3,792,549
Common Stock	-	5,000	-	-	-
Temporarily restricted net assets	147,430	-	118	-	-
Total net assets	<u>10,315,943</u>	<u>(48,718)</u>	<u>(136,620)</u>	<u>4,378,530</u>	<u>3,792,550</u>
Total liabilities and net assets	<u>\$ 12,854,878</u>	<u>\$ 180,834</u>	<u>\$ 118,085</u>	<u>\$ 5,768,495</u>	<u>\$ 5,241,959</u>

Penkay Eagles Manor, Inc.	Eagle Manor Project No. 2, Inc.	Big Boulder	River Rock	Eliminations	Consolidated
\$ -	\$ -	\$ 3,227	\$ 46,559	\$ -	\$ 895,287
-	-	-	-	-	117,531
-	-	8,240	289	-	145,289
-	-	-	-	(418,985)	30,633
-	-	-	-	-	252,993
-	-	-	-	-	11,532
929	919	3,452	1,019	-	54,738
-	-	-	-	-	39,339
-	-	-	-	-	88,016
<u>929</u>	<u>919</u>	<u>14,919</u>	<u>47,867</u>	<u>(418,985)</u>	<u>1,635,358</u>
-	-	503,335	575,332	-	1,725,465
-	-	56,466	92,243	-	192,707
-	-	-	-	-	55,450
-	-	6,254,911	4,825,178	(3,087,398)	19,967,800
-	-	114,358	179,666	-	527,064
-	-	<u>6,929,070</u>	<u>5,672,419</u>	<u>(3,087,398)</u>	<u>22,468,486</u>
(73)	(2,102)	-	-	(2,835)	1,000
-	-	143,745	49,875	-	616,402
-	-	-	-	(19,300)	10,366
-	383,210	-	-	(4,079,594)	5,033,969
-	-	-	-	-	7,152
-	-	7,976	24,958	-	57,118
<u>(73)</u>	<u>381,108</u>	<u>151,721</u>	<u>74,833</u>	<u>(4,101,729)</u>	<u>5,726,007</u>
<u>\$ 856</u>	<u>\$ 382,027</u>	<u>\$ 7,095,710</u>	<u>\$ 5,795,119</u>	<u>\$ (7,608,112)</u>	<u>\$ 29,829,851</u>
\$ 12,034	\$ 20,500	\$ 27,177	\$ 361,546	\$ (438,285)	\$ 567,864
-	-	-	-	-	117,531
-	-	-	-	-	309,200
-	-	11,382	15,424	-	162,657
-	-	3,460	-	-	474,129
-	-	-	537,767	-	537,767
<u>12,034</u>	<u>20,500</u>	<u>42,019</u>	<u>914,737</u>	<u>(438,285)</u>	<u>2,169,148</u>
-	-	663,183	1,212,944	(4,079,594)	1,786,621
-	-	-	-	-	254,335
-	-	663,183	1,212,944	(4,079,594)	2,040,956
12,034	20,500	705,202	2,127,681	(4,517,879)	4,210,104
(11,178)	361,527	6,390,508	(2,851)	(3,085,233)	13,630,757
-	-	-	3,670,289	-	11,841,442
-	-	-	-	(5,000)	-
-	-	-	-	-	147,548
<u>(11,178)</u>	<u>361,527</u>	<u>6,390,508</u>	<u>3,667,438</u>	<u>(3,090,233)</u>	<u>25,619,747</u>
<u>\$ 856</u>	<u>\$ 382,027</u>	<u>\$ 7,095,710</u>	<u>\$ 5,795,119</u>	<u>\$ (7,608,112)</u>	<u>\$ 29,829,851</u>

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
June 30, 2014

	<u>RMDC</u>	<u>RMFP</u>	<u>RMDC Eagle Rock Inc.</u>	<u>EMII</u>	<u>EMIII</u>
CHANGE IN UNRESTRICTED NET ASSETS					
Revenues and Gains					
Grants - federal	\$ 4,738,382	\$ 42,703	\$ 59,780	\$ 120,217	\$ 86,063
Grants - other	856,614	-	-	-	-
County tax	295,790	-	-	-	-
Local support	36,874	-	-	-	-
Fundraising & donations	329,964	-	20	-	-
Program service	1,442,863	17,590	469,420	172,210	129,055
Other	206,061	1,112	-	340	132
In-kind	609,971	-	-	-	-
Total unrestricted revenues and gains	<u>8,516,519</u>	<u>61,405</u>	<u>529,220</u>	<u>292,767</u>	<u>215,250</u>
Net Assets Released from Restrictions					
Satisfaction of restrictions	24,450	-	-	-	-
Total unrestricted revenues, gains and other support	<u>8,540,969</u>	<u>61,405</u>	<u>529,220</u>	<u>292,767</u>	<u>215,250</u>
Expenses and Losses					
Aging & Nutrition	1,979,890	-	-	-	-
Corporation for National Service	1,162,682	-	-	-	-
Housing - General	611,889	68,864	524,544	532,355	380,104
Other Programs	114,793	-	-	-	-
Preschool/Childcare	3,099,466	-	-	-	-
Senior Activities	108,163	-	-	-	-
Transportation	44,086	-	-	-	-
Weatherization	739,395	-	-	-	-
Total program expenses and losses	7,860,364	68,864	524,544	532,355	380,104
General and Administrative	1,658,312	-	-	-	-
Recovery of indirect costs from programs	(832,266)	-	-	-	-
Recovery of other allocated costs from programs	(843,776)	-	-	-	-
	(17,730)	-	-	-	-
Fundraising	2,508	-	-	-	-
Total unrestricted expenses and losses	<u>7,845,142</u>	<u>68,864</u>	<u>524,544</u>	<u>532,355</u>	<u>380,104</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>695,827</u>	<u>(7,459)</u>	<u>4,676</u>	<u>(239,588)</u>	<u>(164,854)</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS					
Contributions	124,185	-	118	-	-
Net assets released from restrictions	(24,450)	-	-	-	-
Changes in temporarily restricted net assets	<u>99,735</u>	<u>-</u>	<u>118</u>	<u>-</u>	<u>-</u>
Change in net assets from continuing operations	795,562	(7,459)	4,794	(239,588)	(164,854)
Change in net assets from discontinued operations (including loss on disposal of \$15,951)	(51,227)	-	-	-	-
Total change in net assets	744,335	(7,459)	4,794	(239,588)	(164,854)
Partnership contributions/(distributions)	-	-	-	(5,048)	-
Common stock	-	-	-	-	-
Consolidated net assets, beginning of year	<u>9,571,608</u>	<u>(41,259)</u>	<u>(141,414)</u>	<u>4,623,166</u>	<u>3,957,404</u>
Consolidated net assets, end of year	<u>\$ 10,315,943</u>	<u>\$ (48,718)</u>	<u>\$ (136,620)</u>	<u>\$ 4,378,530</u>	<u>\$ 3,792,550</u>

<u>Penkay Eagles Manor, Inc.</u>	<u>Eagle Manor Project No. 2, Inc.</u>	<u>Big Boulder</u>	<u>River Rock</u>	<u>Eliminations</u>	<u>Consolidated</u>
\$ -	\$ -	\$ 94,612	\$ 20,111	\$ (59,780)	\$ 5,102,088
-	-	-	-	-	856,614
-	-	-	-	-	295,790
-	-	-	-	-	36,874
-	-	-	-	-	329,984
-	-	127,025	120,263	(767,867)	1,710,559
40,898	3,739	258	12	(78,380)	174,172
-	-	-	-	-	609,971
<u>40,898</u>	<u>3,739</u>	<u>221,895</u>	<u>140,386</u>	<u>(906,027)</u>	<u>9,116,052</u>
-	-	-	-	-	24,450
<u>40,898</u>	<u>3,739</u>	<u>221,895</u>	<u>140,386</u>	<u>(906,027)</u>	<u>9,140,502</u>
-	-	-	-	(59,780)	1,920,110
-	-	-	-	-	1,162,682
7,916	13,828	408,733	411,842	(409,521)	2,550,554
-	-	-	-	-	114,793
-	-	-	-	-	3,099,466
-	-	-	-	-	108,163
-	-	-	-	-	44,086
-	-	-	-	-	739,395
7,916	13,828	408,733	411,842	(469,301)	9,739,249
-	-	-	-	-	1,658,312
-	-	-	-	-	(832,266)
-	-	-	-	-	(843,776)
-	-	-	-	-	(17,730)
-	-	-	-	-	2,508
<u>7,916</u>	<u>13,828</u>	<u>408,733</u>	<u>411,842</u>	<u>(469,301)</u>	<u>9,724,027</u>
<u>32,982</u>	<u>(10,089)</u>	<u>(186,838)</u>	<u>(271,456)</u>	<u>(436,726)</u>	<u>(583,525)</u>
-	-	-	-	-	124,303
-	-	-	-	-	(24,450)
-	-	-	-	-	99,853
32,982	(10,089)	(186,838)	(271,456)	(436,726)	(483,672)
-	-	-	-	-	(51,227)
<u>32,982</u>	<u>(10,089)</u>	<u>(186,838)</u>	<u>(271,456)</u>	<u>(436,726)</u>	<u>(534,899)</u>
-	-	-	2,502,762	-	2,497,714
-	-	-	-	-	-
<u>(44,160)</u>	<u>371,616</u>	<u>6,577,346</u>	<u>1,436,132</u>	<u>(2,653,507)</u>	<u>23,656,932</u>
<u>\$ (11,178)</u>	<u>\$ 361,527</u>	<u>\$ 6,390,508</u>	<u>\$ 3,667,438</u>	<u>\$ (3,090,233)</u>	<u>\$ 25,619,747</u>

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
SCHEDULE OF CONSOLIDATING ELIMINATIONS
June 30, 2014

	<u>RMDC</u>	<u>RMFP</u>	<u>ERI</u>	<u>EM II</u>	<u>EM III</u>
ASSETS					
Related party receivables	\$ 417,808	\$ -	\$ 20,318	\$ 146	\$ 13
Buildings	-	-	-	656,109	727,539
Investment in housing	5,010	-	-	-	-
Construction in progress RMDC developer fee	-	-	-	-	-
Long-term notes and interest receivable	3,696,384	-	-	-	-
Total Assets	<u>\$ 4,119,202</u>	<u>\$ -</u>	<u>\$ 20,318</u>	<u>\$ 656,255</u>	<u>\$ 727,552</u>
LIABILITIES					
Accounts payable to RMDC	\$ -	\$ 16,127	\$ 1,263	\$ 4,427	\$ 2,663
Accounts payable to RMDC Eagle Rock	13,372	-	-	3,052	1,694
Accounts payable to Eagle Manor II	-	-	-	-	-
Accounts payable to Eagle Manor III	-	-	-	-	-
Accounts payable to RMFP	-	-	-	-	-
Notes and interest payable to RMDC	-	-	212,968	866,658	984,076
Notes and interest payable to EM Project No. 2	-	-	-	383,210	-
Total Liabilities	<u>\$ 13,372</u>	<u>\$ 16,127</u>	<u>\$ 214,231</u>	<u>\$ 1,257,347</u>	<u>\$ 988,433</u>
NET ASSETS					
Unrestricted net assets	\$ -	\$ -	\$ -	\$ 656,109	\$ 727,539
Paid-in capital	-	-	-	-	-
Common Stock	-	5,000	-	-	-
Total Liabilities and Net Assets	<u>\$ 13,372</u>	<u>\$ 21,127</u>	<u>\$ 214,231</u>	<u>\$ 1,913,456</u>	<u>\$ 1,715,972</u>
REVENUE					
RMDC service fees	\$ 261,136	\$ -	\$ -	\$ -	\$ -
RMDC developer fee EM II and Big Boulder	430,712	-	-	-	-
Eagle Rock service fees	-	-	76,019	-	-
Partnership fees	-	-	-	-	-
Commodities from RMDC	-	-	59,780	-	-
Interest on note due from EM II	-	-	-	-	-
Interest on notes due from related organizations	35,762	-	-	-	-
Total Revenue	<u>\$ 727,610</u>	<u>\$ -</u>	<u>\$ 135,799</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENSES					
Expenses from RMDC service fees	\$ -	\$ 23,096	\$ 8,340	\$ 66,698	\$ 47,607
Expenses from Eagle Rock service fees	-	-	-	32,220	20,398
Partnership fees	-	-	-	35,156	3,723
Commodities from RMDC to Eagle Rock	59,780	-	-	-	-
Interest on note due to EM Proj No. 2	-	-	-	3,739	-
Interest on notes due to RMDC	-	-	-	-	31,288
Total Expenses	<u>59,780</u>	<u>23,096</u>	<u>8,340</u>	<u>137,813</u>	<u>103,016</u>
Change in Net Assets Due to Eliminations	<u>\$ 667,830</u>	<u>\$ (23,096)</u>	<u>\$ 127,459</u>	<u>\$ (137,813)</u>	<u>\$ (103,016)</u>

<u>Penkay Eagles Manor, Inc.</u>	<u>Eagle Manor Project No. 2, Inc.</u>	<u>Big Boulder</u>	<u>River Rock</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 438,285
-	-	912,340	791,410	3,087,398
(73)	(2,102)	-	-	2,835
-	-	-	-	-
-	383,210	-	-	4,079,594
<u>\$ (73)</u>	<u>\$ 381,108</u>	<u>\$ 912,340</u>	<u>\$ 791,410</u>	<u>\$ 7,608,112</u>
\$ 10,835	\$ 19,300	\$ 16,258	\$ 346,935	\$ 417,808
-	-	1,510	690	20,318
-	-	89	57	146
-	-	13	-	13
-	-	-	-	-
-	-	419,738	1,212,944	3,696,384
-	-	-	-	383,210
<u>\$ 10,835</u>	<u>\$ 19,300</u>	<u>\$ 437,608</u>	<u>\$ 1,560,626</u>	<u>\$ 4,517,879</u>
\$ -	\$ -	\$ 912,340	\$ 351,608	\$ 2,647,596
10	891	10	-	911
-	-	-	-	5,000
<u>\$ 10,845</u>	<u>\$ 20,191</u>	<u>\$ 1,349,958</u>	<u>\$ 1,912,234</u>	<u>\$ 7,171,386</u>
\$ -	\$ -	\$ -	\$ -	\$ 261,136
-	-	-	-	430,712
-	-	-	-	76,019
38,879	-	-	-	38,879
-	-	-	-	59,780
-	3,739	-	-	3,739
-	-	-	-	35,762
<u>\$ 38,879</u>	<u>\$ 3,739</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 906,027</u>
\$ 492	\$ 946	\$ 68,918	\$ 35,949	\$ 252,046
-	-	18,728	4,673	76,019
83	2,993	-	-	41,955
-	-	-	-	59,780
-	-	-	-	3,739
-	-	4,474	-	35,762
<u>575</u>	<u>3,939</u>	<u>92,120</u>	<u>40,622</u>	<u>469,301</u>
<u>\$ 38,304</u>	<u>\$ (200)</u>	<u>\$ (92,120)</u>	<u>\$ (40,622)</u>	<u>\$ 436,726</u>

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DISCOVERY BLOCK • 828 GREAT NORTHERN BOULEVARD • P.O. BOX 1040 • HELENA, MONTANA 59624-1040
TEL: 406.442.1040 • FAX: 406.442.1100 • WEB: WWW.AZWORLD.COM

Mr. Curt Chisholm
Rocky Mountain Development Council, Inc.
PO Box 1717
Helena, MT 59624-1717

Dear Curt:

Enclosed are the original and one copy of the 2012 Exempt Organization returns, as follows...

2012 FORM 990

2012 FORM 990-T

Please review before filing to ensure there are no omissions or misstatements of material facts.

This return will be electronically filed. Enclosed you will find an IRS e-file Signature Authorization Form 8879-EO. This form must be signed and returned to us before this return can be electronically filed.

A copy of the return is enclosed for your files.

If taxing authorities select your returns for examination, you may be asked to provide supporting information. We recommend that you preserve all records relating to the data contained on these returns.

We sincerely appreciate the opportunity to serve you. Please keep us informed of any significant financial matters that occur during the tax year.

Best regards,

Paula R. Jacques

Filing Instructions

Prepared for:

MR. Curt Chisholm
Rocky Mountain Development Council,
PO BOX 1717
HELENA, MT 59624-1717

Prepared by:

Anderson ZurMuehlen & Co., P.C.
P.O. Box 1040
Helena, MT 59624

2012 FORM 990**Electronic Filing:**

This return has been prepared for electronic filing. If you wish to have it transmitted electronically to the IRS, please sign, date, and return Form 8879-EO to our office. We will then submit the electronic return to the IRS. Do not mail a paper copy of the return to the IRS.

2012 FORM 990-T

Please sign and mail on or before May 15, 2014.

No amount is due on Form 990-T.

Mail to - Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201-0027

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2012**Open to Public Inspection****A** For the **2012** calendar year, or tax year beginning **JUL 1, 2012** and ending **JUN 30, 2013**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC. Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite PO BOX 1717 City, town, or post office, state, and ZIP code HELENA, MT 59624-1717 F Name and address of principal officer: CURT CHISHOLM SAME AS C ABOVE	D Employer identification number 81-0296458 E Telephone number 406-447-1680 G Gross receipts \$ 10,101,918. H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 J Website: ▶ WWW.RMDC.NET K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ L Year of formation: 1966 M State of legal domicile: MT		

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: COMMUNITY ACTION AGENCY PROVIDES SERVICES TO LOW-INCOME IN TRI-COUNTY AREA 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. 3 Number of voting members of the governing body (Part VI, line 1a) 3 17 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 15 5 Total number of individuals employed in calendar year 2012 (Part V, line 2a) 5 292 6 Total number of volunteers (estimate if necessary) 6 237 7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 327,638. b Net unrelated business taxable income from Form 990-T, line 34 7b 0.	
Revenue	8 Contributions and grants (Part VIII, line 1h) 8,554,976. 9 Program service revenue (Part VIII, line 2g) 1,771,372. 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 154,744. 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 111,994. 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 10,593,086.	Prior Year Current Year
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 819,399. 14 Benefits paid to or for members (Part IX, column (A), line 4) 0. 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 6,416,166. 16a Professional fundraising fees (Part IX, column (A), line 11e) 0. b Total fundraising expenses (Part IX, column (D), line 25) ▶ 5,228. 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 3,128,769. 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 10,364,334. 19 Revenue less expenses. Subtract line 18 from line 12 228,752.	717,454. 0. 5,470,951. 0. 2,530,660. 8,719,065. 1,379,726.
Net Assets or Fund Balances	20 Total assets (Part X, line 16) 11,428,086. 21 Total liabilities (Part X, line 26) 3,241,220. 22 Net assets or fund balances. Subtract line 21 from line 20 8,186,866.	Beginning of Current Year End of Year
		12,594,406. 3,022,798. 9,571,608.

Part II Signature Block

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 LORI LADAS, EXECUTIVE DIRECTOR Type or print name and title	Date
Paid Preparer Use Only	Print/Type preparer's name PAULA R. JACQUES Preparer's signature PAULA R. JACQUES Date 05/15/14 Check <input type="checkbox"/> if self-employed PTIN P00102076 Firm's name ▶ ANDERSON ZURMUEHLEN & CO., P.C. Firm's EIN ▶ 81-0385940 Firm's address ▶ P.O. BOX 1040 HELENA, MT 59624 Phone no. 406-442-1040	

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III ☒ **X****1** Briefly describe the organization's mission:

ROCKY MOUNTAIN DEVELOPMENT COUNCIL PROVIDES A VARIETY OF SERVICES TO LOW INCOME FAMILIES AND INDIVIDUAL IN LEWIS & CLARK, BROADWATER, AND JEFFERSON COUNTIES IN THE STATE OF MONTANA.

2 Did the organization undertake any significant program services during the year which were not listed onthe prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 2,673,989. including grants of \$) (Revenue \$ 51,171.)
 THE HEAD START PROGRAM SERVES MORE THAN 200 LOW-INCOME CHILDREN AND THEIR FAMILIES IN LEWIS & CLARK, BROADWATER, AND JEFFERSON COUNTIES. THE COMPREHENSIVE PROGRAM PROVIDES SUPPORT FOR CHILDREN AND THEIR PARENTS IN THE AREAS OF HEALTH, NUTRITION, DISABILITIES, MENTAL HEALTH, AND TRANSPORTATION. THE GOAL IS TO HELP CHILDREN SUCCEED IN EDUCATION BY SUPPORTING GROWTH AND DEVELOPMENT NEEDS WHILE ENGAGING THE PARENTS IN THE PROCESS.

4b (Code:) (Expenses \$ 1,858,173. including grants of \$ 563,190.) (Revenue \$ 21,977.)
 AGING SERVICES PROVIDE NUTRITION & OTHER SUPPORTIVE SERVICES TO LOW-INCOME SENIORS. IT ADVOCATES FOR SENIOR CITIZENS AND DEVELOPS AND COORDINATES PROGRAMS FOR SENIOR CITIZENS IN A SIX-COUNTY AREA. THE TYPES OF SERVICES PROVIDED ARE: IN-HOME CARE, TRANSPORTATION, OUTREACH SERVICES, AND LEGAL SERVICES; CONGREGATE AND HOME DELIVERED MEALS; IN-HOME SERVICES TO SENIOR CITIZENS AND THEIR FAMILIES, ESPECIALLY VICTIMS OF DEMENTIA DISORDERS; DEVELOPMENT OF HEALTH PROMOTION ACTIVITIES AND ASSISTANCE FOR SENIOR CITIZENS; LONG-TERM CARE OMBUDSMAN SERVICES, ASSISTANCE WITH ELDER ABUSE PREVENTION; AND INSURANCE COUNSELING AND ASSISTANCE.

4c (Code:) (Expenses \$ 1,123,464. including grants of \$) (Revenue \$ 17,475.)
 CORPORATION FOR NATIONAL AND COMMUNITY SERVICE PROVIDES SERVICES FOR VOLUNTEER PROGRAMS INCLUDING THE FOSTER GRANDPARENT PROGRAM, RETIRED SENIOR VOLUNTEER PROGRAM, AND SENIOR COMPANION PROGRAM. THESE PROGRAMS ARE DESIGNED TO PROVIDE MEANINGFUL PART-TIME VOLUNTEER OPPORTUNITIES FOR SENIOR CITIZENS.

4d Other program services (Describe in Schedule O.)

(Expenses \$ 3,013,744. including grants of \$ 154,264.) (Revenue \$ 1,717,019.)

4e Total program service expenses **8,669,370.**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	1 X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	3	X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	4 X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	5	X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	6	X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	7	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	8	X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	9	X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	10	X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	11a X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	11b	X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	11c	X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	11d	X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	11e X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	11f	X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	12a X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	12b X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13	X
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	14b	X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>	15	X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>	16	X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>	17	X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18 X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19	X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a	X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Form 990 (2012)

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21 X	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22 X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b	X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33 X	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34 X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36 X	
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38 X	

Form 990 (2012)

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	62	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	292	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	X	
4a	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)?		X
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

Form 990 (2012)

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

☒**Section A. Governing Body and Management**

	1a	1b	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	17			
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b Enter the number of voting members included in line 1a, above, who are independent		15		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?			3	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?			5	X
6 Did the organization have members or stockholders?			6	X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			7a	X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a The governing body?			8a	X
b Each committee with authority to act on behalf of the governing body?			8b	X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O			9	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a	X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	X
13 Did the organization have a written whistleblower policy?	13	X
14 Did the organization have a written document retention and destruction policy?	14	X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a	X
b Other officers or key employees of the organization	15b	X
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **NONE**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☒ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC. - 406-447-1680**
P.O. BOX 1717, HELENA, MT 59624

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response to any question in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JON CHACOPULOS DIRECTOR	1.00	X						0.	0.	0.
(2) JEROME LOENDORF DIRECTOR	1.00	X						0.	0.	0.
(3) ELAINE GRAVELEY DIRECTOR	1.00	X						0.	0.	0.
(4) DANIEL POCHA VICE PRESIDENT	1.00	X		X				0.	0.	0.
(5) DEBBIE HAVENS DIRECTOR	1.00	X						0.	0.	0.
(6) DAVE KIRSCH DIRECTOR	1.00	X						0.	0.	0.
(7) HELEN FANDRICH PRESIDENT	1.00	X		X				0.	0.	0.
(8) KEITH MEYER DIRECTOR	1.00	X						0.	0.	0.
(9) RACHEL HABERMAN DIRECTOR	1.00	X						0.	0.	0.
(10) SHEILAH MEVIS SECOND SEAT	1.00	X						0.	0.	0.
(11) ANDREA EDGAR DIRECTOR	1.00	X						0.	0.	0.
(12) JEFF MILLER DIRECTOR	1.00	X						0.	0.	0.
(13) BRIAN GARRITY DIRECTOR	1.00	X						0.	0.	0.
(14) JOAN ANDERSON SECRETARY/TREASURER	1.00	X		X				0.	0.	0.
(15) ERIC BRYSON DIRECTOR	1.00	X						0.	0.	0.
(16) VALERIE HALLECK DIRECTOR	1.00	X						0.	0.	0.
(17) GENE LEUWER PAST EXEC DIRECTOR, RMDC	40.00			X				110,219.	0.	13,975.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) CURT CHISHOLM EXEC DIRECTOR, RMDC	40.00			X				0.	0.	0.
1b Sub-total								110,219.	0.	13,975.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								110,219.	0.	13,975.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **1**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
CROSSMAN, WHITNEY, & GRIFFEN P.O. BOX 1198, HELENA, MT 59624	ARCHITECT FEES	174,279.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **1**

Part VIII Statement of RevenueCheck if Schedule O contains a response to any question in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a	81,320.				
	b	Membership dues	1b					
	c	Fundraising events	1c	19,506.				
	d	Related organizations	1d					
	e	Government grants (contributions)	1e	6,783,927.				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	911,941.				
	g	Noncash contributions included in lines 1a-1f: \$						
	h	Total. Add lines 1a-1f			7,796,694.			
	Program Service Revenue	2 a	PROGRAM SERVICE (UR)	Business Code 624100	1,761,811.	1,761,811.		
b		DAY CARE CENTER FEES	624410	336,441.	8,803.	327,638.		
c								
d								
e								
f		All other program service revenue						
g		Total. Add lines 2a-2f			2,098,252.			
Other Revenue		3	Investment income (including dividends, interest, and other similar amounts)		169,944.			169,944.
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross rents	(i) Real	(ii) Personal				
		b	Less: rental expenses					
		c	Rental income or (loss)					
		d	Net rental income or (loss)					
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b	Less: cost or other basis and sales expenses					
		c	Gain or (loss)					
		d	Net gain or (loss)					
	8 a	Gross income from fundraising events (not including \$ 19,506. of contributions reported on line 1c). See Part IV, line 18	a	0.				
		b	Less: direct expenses	b	3,127.			
		c	Net income or (loss) from fundraising events		-3,127.		-3,127.	
	9 a	Gross income from gaming activities. See Part IV, line 19	a					
b		Less: direct expenses	b					
c		Net income or (loss) from gaming activities						
10 a	Gross sales of inventory, less returns and allowances	a						
	b	Less: cost of goods sold	b					
	c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code						
11 a	OTHER	900099	37,028.	37,028.				
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d			37,028.				
12	Total revenue. See instructions.			10,098,791.	1,807,642.	327,638.	166,817.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	573,190.	573,190.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	144,264.	144,264.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	128,678.		128,678.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	3,950,357.	3,204,572.	744,912.	873.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	1,391,916.	1,129,138.	262,471.	307.
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	49,163.	34,749.	14,414.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	214,104.	213,525.		579.
12 Advertising and promotion	6,664.	3,859.	757.	2,048.
13 Office expenses	191,002.	171,421.	19,153.	428.
14 Information technology				
15 Royalties				
16 Occupancy	751,720.	483,518.	268,202.	
17 Travel	53,526.	52,654.	872.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	182,896.	117,710.	65,186.	
20 Interest	82,373.	48,127.	34,246.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	161,833.	134,063.	27,770.	
23 Insurance	80,469.	58,513.	21,956.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a INDIRECT COSTS ALLOCATE	807,984.	807,984.		
b STIPENDS AND VOLUNTEER	690,191.	689,952.		239.
c MEAL COSTS	676,569.	575,275.	101,294.	
d MATERIALS AND SUPPLIES	230,074.	222,259.	7,815.	
e All other expenses	-1,647,908.	4,597.	-1,653,259.	754.
25 Total functional expenses. Add lines 1 through 24e	8,719,065.	8,669,370.	44,467.	5,228.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

Part X Balance SheetCheck if Schedule O contains a response to any question in this Part X ☐

		(A) Beginning of year		(B) End of year	
Assets	1 Cash - non-interest-bearing	362,617.	1	507,288.	
	2 Savings and temporary cash investments		2		
	3 Pledges and grants receivable, net	198,194.	3	270,760.	
	4 Accounts receivable, net	185,739.	4	204,285.	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5		
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6		
	7 Notes and loans receivable, net	7,717,036.	7	8,701,240.	
	8 Inventories for sale or use	43,052.	8	42,257.	
	9 Prepaid expenses and deferred charges	42,612.	9	38,965.	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 3,505,161.			
	b Less: accumulated depreciation	10b 1,121,612.	2,353,444.	10c 2,383,549.	
	11 Investments - publicly traded securities		11		
	12 Investments - other securities. See Part IV, line 11		12		
	13 Investments - program-related. See Part IV, line 11		13		
	14 Intangible assets		14		
	15 Other assets. See Part IV, line 11	525,392.	15	446,062.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	11,428,086.	16	12,594,406.		
Liabilities	17 Accounts payable and accrued expenses	1,133,501.	17	1,025,541.	
	18 Grants payable		18		
	19 Deferred revenue		19		
	20 Tax-exempt bond liabilities		20		
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21		
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22		
	23 Secured mortgages and notes payable to unrelated third parties	1,504,184.	23	1,681,771.	
	24 Unsecured notes and loans payable to unrelated third parties		24		
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	603,535.	25	315,486.	
	26 Total liabilities. Add lines 17 through 25	3,241,220.	26	3,022,798.	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	8,174,547.	27	9,523,913.	
	28 Temporarily restricted net assets	12,319.	28	47,695.	
	29 Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
33 Total net assets or fund balances	8,186,866.	33	9,571,608.		
34 Total liabilities and net assets/fund balances	11,428,086.	34	12,594,406.		

Form 990 (2012)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	10,098,791.
2	Total expenses (must equal Part IX, column (A), line 25)	2	8,719,065.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,379,726.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	8,186,866.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	5,016.
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	9,571,608.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII ☒

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	X	

Form 990 (2012)

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. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.

Employer identification number

81-0296458

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 11, check only one box.)

- 1 ☐ A church, convention, church, 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.)

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 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.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ 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 that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(ii) A family member of a person described in (i) above?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about the supported organization(s).

[illegible]

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2012

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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	8,068,007.	7,973,419.	8,436,239.	8,090,187.	7,196,179.	39,764,031.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf	473,245.	496,814.	507,824.	464,789.	600,515.	2,543,187.
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	8,541,252.	8,470,233.	8,944,063.	8,554,976.	7,796,694.	42,307,218.
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.						42,307,218.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4	8,541,252.	8,470,233.	8,944,063.	8,554,976.	7,796,694.	42,307,218.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	164,014.	102,489.	151,081.	154,744.	169,944.	742,272.
9 Net income from unrelated business activities, whether or not the business is regularly carried on	-26,072.	-9,158.	-19,593.	-11,506.	12,434.	-53,895.
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	11,141.	23,646.	28,437.	115,924.	37,028.	216,176.
11 Total support. Add lines 7 through 10						43,211,771.
12 Gross receipts from related activities, etc. (see instructions)					12	9,818,469.
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						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14	97.91	%
15 Public support percentage from 2011 Schedule A, Part II, line 14	15	98.07	%
16a 33 1/3% support test - 2012. 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			<input checked="" type="checkbox"/>
b 33 1/3% support test - 2011. 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			<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2012. 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 IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization			<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2011. 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 IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization			<input type="checkbox"/>
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			<input type="checkbox"/>

Schedule A (Form 990 or 990-EZ) 2012

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 IV.)						
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 2012 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2012. 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 - 2011. 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 ☐

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

2012

Name of the organization

Employer identification number

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.

81-0296458

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

☒ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization	Employer identification number
ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.	81-0296458

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	STATE OF MONTANA - PUBLIC HEALTH & HUMAN SERVICES 111 N. SANDERS, P.O. BOX 4120 HELENA, MT 59604	\$ 507,170.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	UNITED WAY OF LEWIS & CLARK COUNTY P.O. BOX 862 HELENA, MT 59624	\$ 78,262.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	STATE OF MONTANA - DPHHS - NWE FREE WEATHERIZATION GRANT 111 N. SANDERS, P.O. BOX 4120 HELENA, MT 59601	\$ 91,678.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	BUTTE PUBLIC SCHOOLS 111 N. MONTANA BUTTE, MT 59701	\$ 5,610.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	THE WALL FAMILY POWER TOWNSEND FOUNDATION, INC. PO BOX 4879 HELENA, MT 59604	\$ 7,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.	81-0296458

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization

Employer identification number

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.**81-0296458**

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) ▶ \$

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

OMB No. 1545-0047

2012

Open to Public
Inspection

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **See separate instructions.**

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.	Employer identification number 81-0296458
---	---

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures ▶ \$

3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527
exempt function activities ▶ \$

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL,
line 17b ▶ \$

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2012

LHA

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01-07-13

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1 a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)		1,000.													
c Total lobbying expenditures (add lines 1a and 1b)		1,000.													
d Other exempt purpose expenditures		8,668,370.													
e Total exempt purpose expenditures (add lines 1c and 1d)		8,669,370.													
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		583,469.													
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g Grassroots nontaxable amount (enter 25% of line 1f)		145,867.													
h Subtract line 1g from line 1a. If zero or less, enter -0-		0.													
i Subtract line 1f from line 1c. If zero or less, enter -0-		0.													
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?			<input type="checkbox"/> Yes <input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount	637,822.	659,394.	607,817.	583,469.	2,488,502.
b Lobbying ceiling amount (150% of line 2a, column(e))					3,732,753.
c Total lobbying expenditures	42,950.	2,200.		1,000.	46,150.
d Grassroots nontaxable amount	159,456.	164,849.	151,954.	145,867.	622,126.
e Grassroots ceiling amount (150% of line 2d, column (e))					933,189.
f Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2012

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities?			
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, line 2; and Part II-B, line 1. Also, complete this part for any additional information.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**

▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.

Employer identification number

81-0296458

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <input type="checkbox"/> Yes <input type="checkbox"/> No		
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1	▶ \$
(ii) Assets included in Form 990, Part X	▶ \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1	▶ \$
b Assets included in Form 990, Part X	▶ \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition
 b ☐ Scholarly research
 c ☐ Preservation for future generations

- d ☐ Loan or exchange programs
 e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ☐ %
 b Permanent endowment ☐ %
 c Temporarily restricted endowment ☐ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
 (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? ☐

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		305,196.		305,196.
b Buildings		1,846,947.	144,735.	1,702,212.
c Leasehold improvements		237,510.	163,401.	74,109.
d Equipment		1,098,637.	809,518.	289,119.
e Other		16,871.	3,958.	12,913.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				2,383,549.

Schedule D (Form 990) 2012

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) OTHER LIABILITIES	315,486.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	10,728,308.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	626,390.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	3,127.
e	Add lines 2a through 2d	2e	629,517.
3	Subtract line 2e from line 1	3	10,098,791.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	10,098,791.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	9,339,259.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	620,194.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	620,194.
3	Subtract line 2e from line 1	3	8,719,065.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	8,719,065.

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

DIRECT FUNDING RAISING EXPENSES	3,127.
---------------------------------	--------

PART XII, LINE 2D - OTHER ADJUSTMENTS:

DIRECT FUND RAISING EXPENSES	
------------------------------	--

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open To Public Inspection

Name of the organization

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.

Employer identification number
81-0296458

Part I

Fundraising Activities.

Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a ☐ Mail solicitations
- b ☐ Internet and email solicitations
- c ☐ Phone solicitations
- d ☐ In-person solicitations
- e ☐ Solicitation of non-government grants
- f ☐ Solicitation of government grants
- g ☐ Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total						

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1 ROCKATHON PHONE & DIRE	(b) Event #2	(c) Other events NONE	(d) Total events (add col. (a) through col. (c))
		(event type)	(event type)	(total number)	
Revenue	1 Gross receipts	19,506.			19,506.
	2 Less: Contributions	19,506.			19,506.
	3 Gross income (line 1 minus line 2)				
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	3,127.			3,127.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				(3,127)
	11 Net income summary. Combine line 3, column (d), and line 10				-3,127.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				()
	8 Net gaming income summary. Combine line 1, column d, and line 7				

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

- 11** Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13** Indicate the percentage of gaming activity operated in:
- | | | |
|--------------------------------------|------------|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► _____

Address ► _____

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No
- b** If "Yes," enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____.
- c** If "Yes," enter name and address of the third party:

Name ► _____

Address ► _____

16 Gaming manager information:

Name ► _____

Gaming manager compensation ► \$ _____

Description of services provided ► _____

☐ Director/officer☐ Employee☐ Independent contractor**17** Mandatory distributions:

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ _____

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

OMB No. 1545-0047

2012

**Open to Public
Inspection**

Name of the organization

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.

Employer identification number
81-0296458

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BOZEMAN SENIOR SOCIAL CENTER 807 N. TRACY BOZEMAN, MT 59715	23-7013531	501(C)(3)	0.	175,146.	COST		PROVIDE SERVICES TO LOW-INCOME SENIORS
BROADWATER COUNTY HEALTH DEPT 124 NORTH CEDAR TOWNSEND, MT 59644	81-6001337	BROADWATER COUNTY	0.	13,750.	COST		PROVIDE SERVICES TO LOW-INCOME SENIORS
DISTRICT IX HRDC 32 S TRACY BOZEMAN, MT 59715	81-0350886	501(C)(3)	0.	66,269.	COST		PROVIDE SERVICES TO LOW-INCOME SENIORS
LIVINGSTON MEALS ON WHEELS PO BOX 1603 LIVINGSTON, MT 59047	81-0348455	501(C)(3)	0.	104,306.	COST		PROVIDE SERVICES TO LOW-INCOME SENIORS
MEAGHER COUNTY SENIOR CENTER 101 1ST AVE. S.E. WHITE SULPHUR SPRINGS, MT 59645	88-0116830	501(C)(3)	0.	48,808.	COST		PROVIDE SERVICES TO LOW-INCOME SENIORS
PARK COUNTY HEALTH DEPT 414 E. CALLENDER STREET LIVINGSTON, MT 59047	81-6001401	501(C)(3)	0.	35,000.	COST		PROVIDE SERVICES TO LOW-INCOME SENIORS

- 2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶
- 3** Enter total number of other organizations listed in the line 1 table ▶

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2012)

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
RMDC EAGLE ROCK INC. PO BOX 1717 HELENA, MT 59624-1717	81-0640371	501(C)(3)	0.	47,091.	COST		PROVIDE SERVICES TO LOW-INCOME SENIORS
A PLUS HEALTHCARE SYSTEMS 1117 SOUTH MAIN KALISPELL, MT 59901	11-3718532		0.	37,388.	COST		PROVIDE SERVICES TO LOW INCOME SENIORS
BELGRADE SENIOR CENTER 93 E. CAMERON ROAD BELGRADE, MT 59714	81-0359839	501(C)(3)	0.	20,086.	COST		PROVIDE SERVICES TO LOW INCOME SENIORS
FRIENDSHIP CENTER OF HELENA 1503 GALLATIN AVENUE HELENA, MT 59601	23-7131678	501(C)(3)	0.	5,000.	COST		EMERGENCY SHELTER SERVICES
YWCA OF HELENA 501 N PARK AVE HELENA, MT 59601	81-0235416	501(C)(3)	0.	5,000.	COST		EMERGENCY SHELTER SERVICES

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.

Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
HOME HEATING ASSISTANCE	106	33,615.	0.		
RENTAL AND UTILITY ASSISTANCE	83	37,152.	0.		
FURNACE REPAIR & REPLACEMENT ASSISTANCE	74	71,872.	0.		

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

SCHEDULE I, PART I, LINE 2: GRANTS TO OTHER US ORGANIZATIONS ARE MONITORED THROUGH ENTERING INTO WRITTEN CONTRACTS OR GRANT AGREEMENTS, REQUIRING & REVIEWING PERIODIC REPORTS & CONDUCTING PERIODIC EVALUATIONS. ASSISTANCE PAYMENTS TO US RESIDENTS ARE MONITORED THROUGH INITIAL VERIFICATION OF PROGRAM ELIGIBILITY THEN OBTAINING DOCUMENTATION SUPPORTING AMOUNT OF PAYMENTS TO INDIVIDUALS.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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.

OMB No. 1545-0047

2012

Open to Public
Inspection

Name of the organization

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.

Employer identification number

81-0296458

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

TRANSPORTATION SERVICES, EMERGENCY SHELTER/SERVICES FOR AT-RISK YOUTH,

AFFORDABLE HOUSING SERVICES, ENERGY ASSISTANCE FOR LOW-INCOME

INDIVIDUALS,

EXPENSES \$ 3,013,744. INCL GRANTS OF \$ 154,264. REVENUE \$ 1,717,019.

FORM 990, PART VI, SECTION B, LINE 11: THE BOARD WAS UNABLE TO MEET PRIOR
TO FILING THE 2012 FORM 990 & WILL REVIEW THE FORM AFTER IT HAS BEEN FILED
UNDER EXTENSIONS. AN AMENDED RETURN WILL BE FILED IF NECESSARY. THE FORM
HAS BEEN REVIEWED BY MANAGEMENT.

FORM 990, PART VI, SECTION B, LINE 12: BOARD MEMBERS ARE REQUIRED TO
ANNUALLY DISCLOSE CONFLICTS OF INTEREST.

FORM 990, PART VI, SECTION B, LINE 15: THE EXECUTIVE COMMITTEE OBTAINS
INFORMATION REGARDING COMPENSATION OF EXECUTIVE DIRECTORS OF OTHER MONTANA
& REGIONAL HRDC'S & DOCUMENTS ITS DISCUSSION IN MEETING MINUTES. SALARIES
OF OTHER MEMBERS OF THE MANAGEMENT TEAM ARE REVIEWED THROUGH THE ANNUAL
BUDGET PROCESS.

FORM 990, PART VI, SECTION C, LINE 18: FORM 990 & RELATED FORMS ARE MADE
AVAILABLE UPON REQUEST AND ARE ALSO POSTED TO RMDC'S WEBSITE
(WWW.RMDC.NET).

FORM 990, PART VI, SECTION C, LINE 19: ALL ORGANIZATIONAL DOCUMENTS &
POLICIES ARE MADE AVAILABLE UPON REQUEST. FINANCIAL STATEMENTS ARE

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2012)

232211
01-04-13

Name of the organization

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.

Employer identification number

81-0296458

AVAILABLE UPON REQUEST & ARE ALSO POSTED TO RMDC'S WEBSITE (WWW.RMDC.NET).

FORM 990, PART XI - FINANCIAL STATEMENTS & REPORTING, LINE 2C

AUDITOR SELECTION PROCESS & REVIEW OF AUDITED FINANCIAL STATEMENTS

THE PROCESS FOR SELECTING THE INDEPENDENT AUDITOR & REVIEWING THE

AUDITED FINANCIAL STATEMENTS HAS NOT CHANGED FROM THE PREVIOUS YEAR.

Related Organizations and Unrelated Partnerships

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No. 1545-0047

2012
Open to Public
Inspection

Name of the organization

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.

Employer identification number
81-0296458

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
RMDC RIVER ROCK, LLC - 27-4336130 P.O. BOX 1717 HELENA, MT 59624	LOW INCOME HOUSING	MONTANA	0.	0.	ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
RMDC EAGLE ROCK, INC. - 81-0640371 C/O RMDC, INC., P.O. BOX 1717 HELENA, MT 59624-1717	PROVIDES SUPPORTIVE SERVICES TO LOW-INCOME SENIOR HOUSING FACILITIES	MONTANA	501 (C) 3	509 (A)(2)	ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.		X
PENKAY EAGLES MANOR, INC. - 81-0304365 C/O RMDC, INC., P.O. BOX 1717 HELENA, MT 59624-1717	PROVIDES LOW-INCOME SENIOR HOUSING	MONTANA	501 (C) 3	509 (A)(2)	ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.		X
EAGLES MANOR PROJECT NO. 2, INC - 81-0371019 C/O RMDC, INC., P.O. BOX 1717 HELENA, MT 59624-1717	DEVELOP & OPERATE LOW-INCOME SENIOR HOUSING	MONTANA	501 (C) 3	509 (A)(2)	ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2012

SEE PART VII FOR CONTINUATIONS

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportion- ate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
EAGLE MANOR III RESIDENCES LP - 20-5195770, P.O. BOX 1717, HELENA, MT 59624-1717	OPERATE LOW INCOME SENIOR HOUSING	MT	PENKAY EAGLES MANOR, INC.	RELATED				X	N/A		X	
EAGLE MANOR II RESIDENCES LP - 20-8039596, P.O. BOX 1717, HELENA, MT 59624-1717	OPERATE LOW INCOME SENIOR HOUSING	MT	RMDC EAGLES MANOR II, LLC	RELATED				X	N/A		X	
BIG BOULDER RESIDENCES LP - 26-4766446, P.O. BOX 1717, HELENA, MT 59624-1717	OPERATE LOW INCOME SENIOR HOUSING	MT	RMDC BIG BOULDER LLC	RELATED	-231,217.	7,483,135.		X	N/A		X	99.99%
RIVER ROCK RESIDENCES, LP - 27-4336395, P.O. BOX 1717, HELENA, MT 59624-1717	TO DEVELOP AND OPERATE AFFORDABLE HOUSING	MT	RMDC RIVER ROCK LLC	RELATED				X	N/A		X	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

[illegible]

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)	X	
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)	X	
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) ROCKY MOUNTAIN FRONT PROP	L	10,308.	COST
(2) RIVER ROCK RESIDENCES, LP	D	850,013.	COST
(3)			
(4)			
(5)			
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

PART I, IDENTIFICATION OF DISREGARDED ENTITIES:**NAME, ADDRESS, AND EIN OF DISREGARDED ENTITY:**

RMDC RIVER ROCK, LLC

EIN: 27-4336130

P.O. BOX 1717

HELENA, MT 59624

PRIMARY ACTIVITY: LOW INCOME HOUSING

DIRECT CONTROLLING ENTITY: ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))For calendar year 2012 or other tax year beginning **JUL 1, 2012**, and ending **JUN 30, 2013****2012**Open to Public Inspection for
501(c)(3) Organizations Only

A <input type="checkbox"/> Check box if address changed B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	Print or Type	Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC. Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 1717 City or town, state, and ZIP code HELENA, MT 59624-1717	D Employer identification number (Employees' trust, see instructions.) 81-0296458 E Unrelated business activity codes (See instructions) 624410
C Book value of all assets at end of year 12,594,406.		F Group exemption number (see instructions) ▶ G Check organization type <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust	

H Describe the organization's primary unrelated business activity. ▶ **DAY CARE CENTER OPERATION IN HELENA, MT**
I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ ☐ Yes ☒ No
 If "Yes," enter the name and identifying number of the parent corporation. ▶
J The books are in care of ▶ **ROCKY MOUNTAIN DEVELOPMENT COUNCIL** Telephone number ▶ **406-447-1680**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales 327,638.			
b Less returns and allowances c Balance ▶	1c 327,638.		
2 Cost of goods sold (Schedule A, line 7)	2		
3 Gross profit. Subtract line 2 from line 1c	3 327,638.		327,638.
4 a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5		
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (see instructions; attach statement)	12		
13 Total. Combine lines 3 through 12	13 327,638.		327,638.

Part II Deductions Not Taken Elsewhere (see instructions for limitations on deductions)
 (except for contributions, deductions must be directly connected with the unrelated business income)

14 Compensation of officers, directors, and trustees (Schedule K)	14	
15 Salaries and wages	15	230,095.
16 Repairs and maintenance	16	1,527.
17 Bad debts	17	1,877.
18 Interest (attach statement)	18	
19 Taxes and licenses	19	
20 Charitable contributions (see instructions for limitation rules)	20	
21 Depreciation (attach Form 4562)	21	
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	22b
23 Depletion	23	
24 Contributions to deferred compensation plans	24	
25 Employee benefit programs	25	
26 Excess exempt expenses (Schedule I)	26	
27 Excess readership costs (Schedule J)	27	
28 Other deductions (attach statement) SEE STATEMENT 1	28	81,705.
29 Total deductions. Add lines 14 through 28	29	315,204.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	12,434.
31 Net operating loss deduction (limited to the amount on line 30) SEE STATEMENT 2	31	12,434.
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	0.
33 Specific deduction (generally \$1,000, but see instructions for exceptions)	33	1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	0.

Part III Tax Computation**35 Organizations taxable as corporations** (see instructions for tax computation).Controlled group members (sections 1561 and 1563) check here ☐ See instructions and:**a** Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):

(1) \$ (2) \$ (3) \$

b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$

(2) Additional 3% tax (not more than \$100,000) \$

c Income tax on the amount on line 34 **35c** 0.**36 Trusts taxable at trust rates** (see instructions for tax computation). Income tax on the amount on line 34 from:☐ Tax rate schedule or ☐ Schedule D (Form 1041) **36****37 Proxy tax** (see instructions) **37****38 Alternative minimum tax** **38****39 Total.** Add lines 37 and 38 to line 35c or 36, whichever applies **39** 0.**Part IV Tax and Payments****40a** Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) **40a****b** Other credits (see instructions) **40b****c** General business credit. Attach Form 3800 **40c****d** Credit for prior year minimum tax (attach Form 8801 or 8827) **40d****e** Total credits. Add lines 40a through 40d **40e****41** Subtract line 40e from line 39 **41** 0.**42** Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach statement) **42****43** Total tax. Add lines 41 and 42 **43** 0.**44a** Payments: A 2011 overpayment credited to 2012 **44a****b** 2012 estimated tax payments **44b****c** Tax deposited with Form 8868 **44c****d** Foreign organizations: Tax paid or withheld at source (see instructions) **44d****e** Backup withholding (see instructions) **44e****f** Credit for small employer health insurance premiums (Attach Form 8941) **44f****g** Other credits and payments: ☐ Form 2439 **44g**☐ Form 4136 ☐ Other Total **44g****45** Total payments. Add lines 44a through 44g **45****46** Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐ **46****47** Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed **47** 0.**48** Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid **48** 0.**49** Enter the amount of line 48 you want: Credited to 2013 estimated tax **49**

Refunded

Part V Statements Regarding Certain Activities and Other Information (see instructions)**1** At any time during the 2012 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here **Yes** **No****2** During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file. **Yes** **No****3** Enter the amount of tax-exempt interest received or accrued during the tax year **\$****Schedule A - Cost of Goods Sold.** Enter method of inventory valuation **N/A****1** Inventory at beginning of year **1****2** Purchases **2****3** Cost of labor **3****4a** Additional section 263A costs (att. statement) **4a****b** Other costs (attach statement) **4b****5** Total. Add lines 1 through 4b **5****6** Inventory at end of year **6****7** Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 **7****8** Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? **Yes** **No****Sign Here**

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 taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer Date **EXECUTIVE DIRECTOR** TitleMay the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	PAULA R. JACQUES	PAULA R. JACQUES	05/15/14		P00102076
	Firm's name ANDERSON ZURMUEHLEN & CO., P.C.	Firm's EIN 81-0385940			
	Firm's address P.O. BOX 1040 HELENA, MT 59624	Phone no. 406-442-1040			

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property

(1)	
(2)	
(3)	
(4)	

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach statement)
(1)		
(2)		
(3)		
(4)		
Total 0.	Total 0.	

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶(b) **Total deductions.**

Enter here and on page 1, Part I, line 6, column (B) ... ▶

0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property		2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach statement)	(b) Other deductions (attach statement)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach statement)	5. Average adjusted basis of or allocable to debt-financed property (attach statement)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		

Totals

0.

0.

Total dividends-received deductions included in column 8

0.

0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				

Add columns 5 and 10.
Enter here and on page 1, Part I,
line 8, column (A).Add columns 6 and 11.
Enter here and on page 1, Part I,
line 8, column (B).

Totals

0.

0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).
Totals	0.			0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.
Totals	0.	0.				0.

Schedule J - Advertising Income (see instructions)**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).				Enter here and on page 1, Part II, line 27.
Totals, Part II (lines 1-5)	0.	0.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

FORM 990-T	OTHER DEDUCTIONS	STATEMENT	1
DESCRIPTION	AMOUNT		
COMMUNICATIONS & ADVERTISING	1,869.		
ALLOCATED OVERHEAD	33,008.		
MEAL COSTS	8,799.		
TRAINING, DUES & OTHER EMPLOYEE EXPENSE	1,217.		
OCCUPANCY & OFFICE EXPENSE	28,087.		
OTHER EXPENSE	999.		
MATERIALS, SUPPLIES & PRINTING	4,692.		
INSURANCE	2,849.		
MEMBERSHIP DUES	185.		
TOTAL TO FORM 990-T, PAGE 1, LINE 28	81,705.		

FORM 990-T	NET OPERATING LOSS DEDUCTION			STATEMENT	2
TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR	
06/30/04	18,475.	18,475.	0.	0.	
06/30/05	12,418.	4,618.	7,800.	7,800.	
06/30/08	8,320.	0.	8,320.	8,320.	
06/30/09	26,072.	0.	26,072.	26,072.	
06/30/10	9,158.	0.	9,158.	9,158.	
06/30/11	19,593.	0.	19,593.	19,593.	
06/30/12	11,506.	0.	11,506.	11,506.	
NOL CARRYOVER AVAILABLE THIS YEAR			82,449.	82,449.	

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☐
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file) . You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which 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/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only ☒

All other corporations (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	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.	81-0296458
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	PO BOX 1717	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	HELENA, MT 59624-1717	

Enter the Return code for the return that this application is for (file a separate application for each return)

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	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.

- The books are in the care of ► **P.O. BOX 1717 - HELENA, MT 59624**
Telephone No. ► **406-447-1680** 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 EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **MAY 15, 2014**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
► ☐ calendar year _____ or
► ☒ tax year beginning **JUL 1, 2012**, and ending **JUN 30, 2013**.

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 Form 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 Form 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 fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.**

Form **8868** (Rev. 1-2013)

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Enter filer's identifying number, see instructions	
Type or print Name of exempt organization or other filer, see instructions ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.	Employer identification number (EIN) or 81-0296458
Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 1717	Social security number (SSN)
City, town or post office, state, and ZIP code. For a foreign address, see instructions. HELENA, MT 59624-1717	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.

• The books are in the care of ☒ **P.O. BOX 1717 - HELENA, MT 59624**

Telephone No. ☒ **406-447-1680**

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 EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **MAY 15, 2014**

5 For calendar year , or other tax year beginning **JUL 1, 2012** , and ending **JUN 30, 2013**

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return

☐ Change in accounting period

7 State in detail why you need the extension

RETURN IS PENDING TO PROVIDE AMPLE TIME FOR BOARD REVIEW AND APPROVAL OF BOTH RETURN AND AUDITED FINANCIAL STATEMENTS.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	0.
b If this application is for Form 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 and any amount paid previously with Form 8868.	8b	\$	0.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature

Title **CPA**

Date

Form **8868** (Rev. 1-2013)

Form **8879-EO****IRS e-file Signature Authorization
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2012, or fiscal year beginning JUL 1, 2012, and ending JUN 30, 2013**2012**Department of the Treasury
Internal Revenue Service▶ **Do not send to the IRS. Keep for your records.**

Name of exempt organization

Employer identification number

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.**81-0296458**

Name and title of officer

CURT CHISHOLM**EXECUTIVE DIRECTOR****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 1 line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1b <u>10098791</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, Part I, line 3c or Part II, line 8c)	5b _____

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 2012 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 ANDERSON ZURMUEHLEN & CO., P.C. to enter my PIN 92016
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2012 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 2012 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.

81066838594

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2012 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 ▶ _____ Date ▶ 05/15/14

ERO Must Retain This Form - See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So

No
Staples!

2012 Montana Corporation License Tax Return

Include a copy of federal Form 1120 as filed with the Internal Revenue Service

For calendar year 2012 or tax year beginning

01012012 and ending 06302013

Name

ROCKY MOUNTAIN DEVELOPMENT COUNCIL

FEIN 810296458

Mailing Address

Federal Business Code/NAICS 624410

PO BOX 1717

State Incorporated in MT on 07011966

City

State ZIP + 4

Date Qualified in Montana 07011966

HELENA

MT 596241717

MT Secretary of State ID D031882

Mark all that apply:

Do **not need** Form CLT-4 sent next year
Initial Return
Final Return

Amended Return
Refund Return

MONTANA
e-file

Did you know?
You can file and pay online.
revenue.mt.gov

Part I - Filing Method.

1. Mark this box if you are exempt from tax under the provision of Public Law 86-272.
If marked, Schedule K must be completed and included with your tax return; skip questions 2 through 5 of this part.
2. Are you a member (parent or subsidiary) of a consolidated group for federal purposes? Yes ☒ No
3. Are you filing a combined return for Montana purposes? Yes ☒ No
If "Yes," enter the number of entities with Montana activity included in this tax return.
4. If you answered "Yes" to questions 2 or 3 above, then mark one of the following filing methods and include Schedule M:

a. Separate Company	d. Domestic Combination
b. Separate Accounting	e. Limited Combination
c. Worldwide Combination	f. Water's Edge

(You must have a valid election and Schedule WE must be included.)
5. If you answered "Yes" to questions 2 or 3 above, you must include pages 1 through 5 of the parent's consolidated federal Form 1120 that you filed with the Internal Revenue Service, and enter:
 - a. Ultimate U.S. parent's name as reported on federal tax return
 - b. Ultimate U.S. parent's FEIN

Part II - Amended Return Only. Mark all that apply.

- a. Federal Revenue Agent Report; include a complete copy of this report.
- b. NOL carryback/carryforward; list year(s) of loss.
- c. Apportionment factor changes; include a statement explaining all adjustments in detail.
- d. Amended federal tax return (Form 1120X); include a complete copy of the federal Form 1120X.
- e. Application and/or change in tax credit; list type of credit being claimed.
- f. Other; include a statement explaining all adjustments in detail.

Part III - General Questions. All questions must be answered.

- a. Describe in detail the nature and location(s) of your Montana activities (if necessary, provide the description on an additional page).
- b. Is this your corporation's first Montana tax return? Yes ☒ No
If this corporation is a successor to a previously existing business, enter the predecessor's information:
Name FEIN



12EP01A1

ROCKY MOUNTAIN DEVELOPMENT COUNCIL

Form CLT-4, Page 2

Period End Date

06302013

FEIN

810296458

Part III - continued

- c. Is this your corporation's final Montana tax return? Yes ☒ No
- If "Yes," please include detailed statement and indicate whether your corporation has:
- | | | | |
|-----------|--------|-----------|-------------|
| Withdrawn | Merged | Dissolved | Reorganized |
|-----------|--------|-----------|-------------|
- Date of withdrawal, dissolution, merger, or reorganization
- If applicable, enter the successor's name FEIN
- d. For any tax period(s), has the Internal Revenue Service issued an official notice of change or correction that you have not filed with the Montana Department of Revenue? Yes ☒ No
- If "Yes," indicate what period(s)
- e. Are any statute of limitation waivers currently in force that have been executed with the Internal Revenue Service? Yes ☒ No
- If "Yes," which taxable year(s) is covered and what is the expiration date(s) of the waiver(s)?
- f. Have you filed an amended federal tax return for any of the last five taxable periods? Yes ☒ No
- If "Yes," for which years have you filed amended Montana returns?
- g. Did an individual at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of this corporation? If "Yes," enter name and % of ownership Yes ☒ No
- h. Did a partnership, corporation, estate or trust at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of this corporation? If "Yes," enter name and % of ownership Yes ☒ No
- i. If the answer to question (g) or (h) is "Yes," did the same individual, partnership, corporation, estate or trust at the end of the taxable year also own, directly or indirectly, 50% or more of the voting stock of another (brother-sister) corporation? Yes ☒ No
- j. Did this corporation or any member of the consolidated group own, directly or indirectly, 50% or more of the outstanding voting stock of a domestic corporation that is not included in the consolidated group? Yes ☒ No
- k. Did this corporation or any member of the consolidated group own, directly or indirectly, 50% or more of the outstanding voting stock of a foreign corporation? Yes ☒ No
- l. Was your corporation owned 50% or more, directly or indirectly, by a corporation or entity that was organized or incorporated outside the U.S.? If "Yes," enter foreign entity's name and % of ownership Yes ☒ No
- If you answered "Yes" to any of the above questions (h) through (l), you will need to complete and include Schedule M.

Part IV - Reporting of Special Transactions.

Mark "Yes" if you filed any of the following forms with the Internal Revenue Service. You will need to include with your Montana tax return a complete copy of any of these applicable forms.

- a. I filed federal Form 8918- Material Advisor Disclosure Statement with the Internal Revenue Service. Yes ☒ No
- Form 8918 is required to be filed by material advisors to any reportable transactions.
- b. I filed federal Form 8824 - Like-Kind Exchanges with the Internal Revenue Service. Mark "Yes" if your like-kind exchange includes Montana property. Yes ☒ No
- Form 8824 is used to report each exchange of business or investment property for property of a like-kind.
- c. I filed federal Form 8865 - Return of U.S. Persons With Respect to Certain Foreign Partnerships with the Internal Revenue Service. Yes ☒ No
- Form 8865 is used to report the information required under 26 USC 6038 (reporting with respect to controlled foreign partnerships), Section 6038B (reporting of transfers to foreign partnerships), or Section 6046A (reporting of acquisitions, dispositions, and changes in foreign partnership interest.)
- d. I filed federal Form 8886 - Reportable Transaction Disclosure Statement with the Internal Revenue Service. Yes ☒ No
- Form 8886 is used to disclose information for each reportable transaction in which you participated.
- e. I filed federal Schedule UTP - Uncertain Tax Position Statement with the Internal Revenue Service. Yes ☒ No
- Schedule UTP is used to disclose uncertain tax positions.



12EP02A1

ROCKY MOUNTAIN DEVELOPMENT COUNCIL

Form CLT-4, Page 3

Period End Date

06302013

FEIN

810296458

Computation of Montana Taxable Income and Net Amount Due

1. Taxable income reported on your federal tax return (line 28) (include a copy of signed federal Form 1120)	1.	000
2. Additions		
2a. State, local, foreign and franchise taxes based on income (include breakdown of your Form 1120, line 17)	2a.	00
2b. Federal tax exempt interest	2b.	00
2c. Contributions used to compute qualified endowment credit	2c.	00
2d. Income/loss of foreign parent and foreign subsidiaries for worldwide combined filers	2d.	00
2e. Income/loss of unitary corporations not included in federal consolidated return	2e.	00
2f. Premiums used to calculate the Insure Montana Credit	2f.	00
2g. Deemed dividends - Water's Edge filers only (include Schedule WE)	2g.	00
2h. Income/loss of corporations incorporated in tax havens - Water's Edge filers only	2h.	00
2i. Federal capital loss carry-over utilized on federal return (include Schedule D)	2i.	1243400
2j. All of your other additions (include a detailed breakdown)	2j.	00
Add lines 2a through 2j and enter the result. This is the total of your additions	2.	1243400
3. Reductions		
3a. IRC Section 243 dividend received deduction	3a.	00
3b. Nonbusiness income (include a detailed breakdown)	3b.	00
3c. Montana recycling deduction (include Form RCYL)	3c.	00
3d. Income/loss of nonunitary corporations included in federal consolidated return	3d.	00
3e. Income/loss of 80/20 companies - Water's Edge filers only	3e.	00
3f. Capital loss incurred in current year (include federal Schedule D)	3f.	00
3g. All of your other reductions (include a detailed breakdown)	3g.	00
Add lines 3a through 3g and enter the result. This is the total of your reductions	3.	00
4. Add lines 1 and 2, then subtract line 3 and enter the result. This is your adjusted taxable income	4.	1243400
5. Income apportioned to Montana (multiply line 4 X % from Schedule K, line 5)	5.	00
Combined filers must use the Schedule K included on page 5 of Form CLT-4.		
6. Enter the income that you allocated directly to Montana (include a detailed breakdown)	6.	00
7. Montana taxable income before net operating loss (add lines 5 and 6 or enter amount reported on line 4)	7.	1243400
If line 7 is a loss, do you wish to forego the net operating loss carry-back provision? Yes No		
Note: If you have reported a loss on line 7 and have not marked either box, the loss has to be carried back first.		
8. Enter your Montana net operating loss carried over to this period (include a detailed schedule)	8.	1243400
9. Subtract line 8 from line 7 and enter the result here. This is your Montana taxable income	9.	000
10. Multiply line 9 by 6.75% (or line 9 by 7% if you have a valid Water's Edge election). This is your Montana tax liability. (This amount cannot be less than the minimum tax liability of \$50.)	10.	5000

Mark this box if you are calculating your tax liability using the Alternative Tax method.

Questions?

Call us toll free at (866) 859-2254 (in Helena, 444-6900), or TDD (406) 444-2830 for hearing impaired.



12EP03A1

ROCKY MOUNTAIN DEVELOPMENT COUNCIL

Form CLT-4, Page 4

Period End Date

06302013

FEIN

810296458

Computation of Montana Taxable Income and Net Amount Due (continued)

11. Your Montana tax liability from line 10	11.	5000
12. Payments		
12a. 2011 overpayment	12a.	00
12b. Tentative payment	12b.	00
12c. Quarterly estimated tax payments	12c.	00
12d. Montana mineral royalty tax withheld (include Form(s) 1099)	12d.	00
12e. Montana tax withheld from pass-through entities (include MT Schedule(s) K-1)	12e.	00
12f. All other payments. Describe.	12f.	00
12g. Previously issued refunds. (Do not include any overpayments to 2013.)	12g.	00
Add lines 12a through 12f and subtract line 12g; enter the result. This is the total of your payments	12.	00
13. Enter total credits (from Schedule C)	13.	00
14. Add lines 12 and 13, then subtract from line 11 and enter result. This is your tax due or overpayment	14.	5000
15. Enter the amount of overpayment that you want to be applied to your 2013 estimated tax	15.	00
16. Add lines 14 and 15; enter the result. This is your net tax due or overpayment	16.	5000
17. Enter interest on all the tax paid after the due date, calculated at 12% per year, on a daily basis	17.	00
18. Enter estimated tax underpayment interest (include Form CLT-4-UT)	18.	00
Mark this box if you are using the annualized income or adjusted seasonal income method.		
19. Penalty		
19a. Enter your late filing penalty (see instructions)	19a.	00
19b. Enter your late payment penalty (see instructions)	19b.	00
Add lines 19a and 19b; enter the result. This is your total penalty	19.	00
20. Add lines 16 through 19; enter the result on line 20a or 20b below.		
20a. If the result is positive, enter the amount due here. This is your total amount due	20a.	5000
Include your remittance payable to Montana Department of Revenue or visit our website at revenue.mt.gov for electronic payment options.		
20b. If the result is negative, enter the refund due here. This is your total refund	20b.	00

For Direct Deposit of your refund, complete 1, 2, 3 and 4.

1. RTN# 2. ACCT#
3. If using direct deposit, you are required to mark one box. ☐ Checking Savings
4. Is this refund going to an account that is located outside of the United States or its territories? Yes No

Paid preparer information. *Please print.*Name **ANDERSON ZURMUEHLEN & CO., P.C.**Address **P.O. BOX 1040 HELENA MT 59624**Telephone Number **406-442-1040**

Contact's Name

PTIN, SSN or FEIN **P00102076**Date **051514**

May the DOR discuss this return with your tax preparer?*

☒ Yes No

* If you would like to authorize a representative to discuss tax matters with the department, you must complete a Power of Attorney form. This form is available on our website at revenue.mt.gov under Forms and Resources.

Declaration - Under penalties of false swearing, 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.

Signature of Officer

X _____

Date

Telephone Number

Printed Name of Officer

Title

Please mail your completed Form CLT-4 to: Montana Department of Revenue, PO Box 8021, Helena, MT 59604-8021



Rocky Mountain Development Council, Inc.
81-0296458
Montana Net Operating Loss

NOL		Previously used	Carry Forward
6/30/2005	12,418	12,418	-
6/30/2008	8,320	4,634	3,686
6/30/2009	26,072		26,072
6/30/2010	9,158		9,158
6/30/2011	19,593		19,593
6/30/2012	11,506		11,506
6/30/2013			
	<u>87,067</u>	<u>17,052</u>	<u>70,015</u>

**Application for Automatic Extension of Time To File
Certain Business Income Tax, Information, and Other Returns**

OMB No. 1545-0233

► **File a separate application for each return.**
► Information about Form 7004 and its separate instructions is at www.irs.gov/form7004.

**Print
or
Type**

Name ROCKY MOUNTAIN FRONT PROPERTIES, INC. <small>Number, street, and room or suite no. (If P.O. box, see instructions.)</small> P.O. BOX 1717 <small>City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)).</small> HELENA, MT 59624-1717	Identifying number 20-1384104
--	---

Note. File request for extension by the due date of the return for which the extension is granted. See instructions before completing this form.

Part I Automatic 5-Month Extension

1a Enter the form code for the return that this application is for (see below)			
Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate other than a bankruptcy estate)	04
Form 8804	31	Form 1041 (trust)	05

Part II Automatic 6-Month Extension

b Enter the form code for the return that this application is for (see below)			
Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8613	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here ☐
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ☐
If checked, attach a statement, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here ☐

5a The application is for calendar year _____, or tax year beginning **JULY 1** **2012**, and ending **JUNE 30** **2013**

b **Short tax year.** If this tax year is less than 12 months, check the reason:
☐ Change in accounting period ☐ Consolidated return to be filed ☐ Initial return ☐ Final return ☐ Other (see instructions-attach explanation)

6 Tentative total tax	6	0.
7 Total payments and credits (see instructions)	7	0.
8 Balance due. Subtract line 7 from line 6 (see instructions)	8	0.

LHA For Privacy Act and Paperwork Reduction Act Notice, see separate Instructions.

Form 7004 (Rev. 12-2012)

219741
11-30-12

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))For calendar year 2012 or other tax year beginning **JUL 1, 2012**, and ending **JUN 30, 2013**

OMB No. 1545-0087

2012Open to Public Inspection for
501(c)(3) Organizations Only

A <input type="checkbox"/> Check box if address changed B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	Print or Type	Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC. Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 1717 City or town, state, and ZIP code HELENA, MT 59624-1717	D Employer identification number (Employees' trust, see instructions.) 81-0296458 E Unrelated business activity codes (See instructions) 624410
C Book value of all assets at end of year 12,594,406.		F Group exemption number (see instructions) ▶ G Check organization type <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust	

H Describe the organization's primary unrelated business activity. **▶ DAY CARE CENTER OPERATION IN HELENA, MT**
I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? **▶** ☐ Yes ☒ No
 If "Yes," enter the name and identifying number of the parent corporation. **▶**
J The books are in care of **▶ ROCKY MOUNTAIN DEVELOPMENT COUNCIL** Telephone number **▶ 406-447-1680**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales 327,638.			
b Less returns and allowances c Balance ▶	1c 327,638.		
2 Cost of goods sold (Schedule A, line 7)	2		
3 Gross profit. Subtract line 2 from line 1c	3 327,638.		327,638.
4a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5		
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)...	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (see instructions; attach statement)	12		
13 Total. Combine lines 3 through 12	13 327,638.		327,638.

Part II Deductions Not Taken Elsewhere (see instructions for limitations on deductions)
 (except for contributions, deductions must be directly connected with the unrelated business income)

14 Compensation of officers, directors, and trustees (Schedule K)	14	
15 Salaries and wages	15	230,095.
16 Repairs and maintenance	16	1,527.
17 Bad debts	17	1,877.
18 Interest (attach statement)	18	
19 Taxes and licenses	19	
20 Charitable contributions (see instructions for limitation rules)	20	
21 Depreciation (attach Form 4562)	21	
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	22b
23 Depletion	23	
24 Contributions to deferred compensation plans	24	
25 Employee benefit programs	25	
26 Excess exempt expenses (Schedule I)	26	
27 Excess readership costs (Schedule J)	27	
28 Other deductions (attach statement) SEE STATEMENT 1	28	81,705.
29 Total deductions. Add lines 14 through 28	29	315,204.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	12,434.
31 Net operating loss deduction (limited to the amount on line 30) SEE STATEMENT 2	31	12,434.
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	0.
33 Specific deduction (generally \$1,000, but see instructions for exceptions)	33	1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	0.

Part III Tax Computation**35 Organizations taxable as corporations** (see instructions for tax computation).Controlled group members (sections 1561 and 1563) check here ☐ See instructions and:**a** Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):

(1) \$ (2) \$ (3) \$

b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$

(2) Additional 3% tax (not more than \$100,000) \$

c Income tax on the amount on line 34 35c 0.**36 Trusts taxable at trust rates** (see instructions for tax computation). Income tax on the amount on line 34 from:☐ Tax rate schedule or ☐ Schedule D (Form 1041) 36**37 Proxy tax** (see instructions) 37**38 Alternative minimum tax** 38**39 Total.** Add lines 37 and 38 to line 35c or 36, whichever applies 39 0.**Part IV Tax and Payments****40a Foreign tax credit** (corporations attach Form 1118; trusts attach Form 1116) 40a**b Other credits** (see instructions) 40b**c General business credit.** Attach Form 3800 40c**d Credit for prior year minimum tax** (attach Form 8801 or 8827) 40d**e Total credits.** Add lines 40a through 40d 40e**41 Subtract line 40e from line 39** 41 0.**42 Other taxes.** Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach statement) 42**43 Total tax.** Add lines 41 and 42 43 0.**44a Payments:** A 2011 overpayment credited to 2012 44a**b 2012 estimated tax payments** 44b**c Tax deposited with Form 8868** 44c**d Foreign organizations:** Tax paid or withheld at source (see instructions) 44d**e Backup withholding** (see instructions) 44e**f Credit for small employer health insurance premiums** (Attach Form 8941) 44f**g Other credits and payments:** ☐ Form 2439 ☐ Other Total 44g**45 Total payments.** Add lines 44a through 44g 45**46 Estimated tax penalty** (see instructions). Check if Form 2220 is attached ☐ 46**47 Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed 47 0.**48 Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 0.**49 Enter the amount of line 48 you want:** Credited to 2013 estimated tax Refunded 49**Part V Statements Regarding Certain Activities and Other Information** (see instructions)**1** At any time during the 2012 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial

Yes No

Accounts. If "Yes," enter the name of the foreign country here

X

2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?

X

If "Yes," see instructions for other forms the organization may have to file.

3 Enter the amount of tax-exempt interest received or accrued during the tax year \$**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation N/A**1** Inventory at beginning of year 1**2** Purchases 2**3** Cost of labor 3**4a** Additional section 263A costs (att. statement) 4a**b** Other costs (attach statement) 4b**5 Total.** Add lines 1 through 4b 5**6** Inventory at end of year 6**7 Cost of goods sold.** Subtract line 6 from line 5. Enter here and in Part I, line 2 7**8** Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? 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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer Date

EXECUTIVE DIRECTOR Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No**Paid Preparer Use Only**Print/Type preparer's name Preparer's signature Date Check ☐ if self-employed PTIN

PAULA R. JACQUES PAULA R. JACQUES 05/15/14 P00102076

Firm's name ANDERSON ZURMUEHLEN & CO., P.C. Firm's EIN 81-0385940

P.O. BOX 1040

Firm's address HELENA, MT 59624 Phone no. 406-442-1040

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property

(1)
(2)
(3)
(4)

2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach statement)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total 0.	Total 0.	

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) 0.

(b) **Total deductions.** Enter here and on page 1, Part I, line 8, column (B) 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property		2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach statement)	(b) Other deductions (attach statement)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach statement)	5. Average adjusted basis of or allocable to debt-financed property (attach statement)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		

Totals Enter here and on page 1, Part I, line 7, column (A) 0. Enter here and on page 1, Part I, line 7, column (B) 0.

Total dividends-received deductions included in column 8 0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				

Totals Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A) 0. Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B) 0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals		Enter here and on page 1, Part I, line 9, column (A). 0.		Enter here and on page 1, Part I, line 9, column (B). 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 5 minus column 6, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals		Enter here and on page 1, Part I, line 10, col. (A). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.			Enter here and on page 1, Part II, line 28. 0.

Schedule J - Advertising Income (see instructions)**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0.	0.			0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I		0.	0.			0.
Totals, Part II (lines 1-5)		Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.			Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

FORM 990-T	OTHER DEDUCTIONS	STATEMENT	1
DESCRIPTION		AMOUNT	
COMMUNICATIONS & ADVERTISING		1,869.	
ALLOCATED OVERHEAD		33,008.	
MEAL COSTS		8,799.	
TRAINING, DUES & OTHER EMPLOYEE EXPENSE		1,217.	
OCCUPANCY & OFFICE EXPENSE		28,087.	
OTHER EXPENSE		999.	
MATERIALS, SUPPLIES & PRINTING		4,692.	
INSURANCE		2,849.	
MEMBERSHIP DUES		185.	
TOTAL TO FORM 990-T, PAGE 1, LINE 28		81,705.	

FORM 990-T		NET OPERATING LOSS DEDUCTION		STATEMENT	2
TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR	
06/30/04	18,475.	18,475.	0.	0.	
06/30/05	12,418.	4,618.	7,800.	7,800.	
06/30/08	8,320.	0.	8,320.	8,320.	
06/30/09	26,072.	0.	26,072.	26,072.	
06/30/10	9,158.	0.	9,158.	9,158.	
06/30/11	19,593.	0.	19,593.	19,593.	
06/30/12	11,506.	0.	11,506.	11,506.	
NOL CARRYOVER AVAILABLE THIS YEAR			82,449.	82,449.	

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☐
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which 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/efile and click on **e-file for Charities & Nonprofits**.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only ☒

All other corporations (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.	Employer identification number (EIN) or
	ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.	81-0296458
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	PO BOX 1717	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	HELENA, MT 59624-1717	

Enter the Return code for the return that this application is for (file a separate application for each return)

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	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.

- The books are in the care of ► P.O. BOX 1717 - HELENA, MT 59624

Telephone No. ► 406-447-1680

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 EINs of all members the extension is for.

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until MAY 15, 2014, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ☐ calendar year or
- ☒ tax year beginning JUL 1, 2012, and ending JUN 30, 2013.

- 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 Form 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 Form 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 fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8868 (Rev. 1-2013)

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box ☒ **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the due date for filing your return. See instructions.	Enter filer's identifying number, see instructions	
	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.	81-0296458
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	PO BOX 1717	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	HELENA, MT 59624-1717	

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.

• The books are in the care of ☒ P.O. BOX 1717 - HELENA, MT 59624

Telephone No. ☒ 406-447-1680

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 EINs of all members the extension is for.

4 I request an additional 3-month extension of time until MAY 15, 2014.

5 For calendar year 2012, or other tax year beginning JUL 1, 2012, and ending JUN 30, 2013.

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return

☐ Change in accounting period

7 State in detail why you need the extension

RETURN IS PENDING TO PROVIDE AMPLE TIME FOR BOARD REVIEW AND APPROVAL OF BOTH RETURN AND AUDITED FINANCIAL STATEMENTS.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	0.
b	If this application is for Form 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 and any amount paid previously with Form 8868.	8b	\$	0.
c	Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature

Title

Date