



April 25, 2024

To the Board of Directors and Management
Humanities Montana
Missoula, Montana

We have audited the financial statements of Humanities Montana for the year ended October 31, 2023, and have issued our report thereon dated April 25, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 22, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Humanities Montana are described in Note 1 to the financial statements. As described in Note 1, the Organization has adopted FASB ASU (Accounting Standards Update) 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, Leases. This also includes the following additional ASU's, which amend and clarify Topic 842: ASU 2018-01, Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842; ASU 2018-10, Codification Improvements to Topic 842, Leases; ASU 2018-11, Leases (Topic 842): Targeted Improvements; ASU 2018-20, Leases (Topic 842): Narrow-Scope Improvements for Lessors; ASU 2019-01, Leases (Topic 842): Codification Improvements; ASU 2019-10, Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates; ASU 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain Entities; and ASU 2021-05, Leases (Topic 842): Lessors - Certain Leases with Variable Lease Payments. The effects of the adoption of these ASU's have been applied retrospectively as if the ASU's had always been in place. We noted no transactions entered into by the Organization during the year for which there is lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.



The most sensitive estimate affecting the financial statements was:

Management's estimate of the allocation of functional expenses is based on actual costs incurred and estimates of time spent on each type of activity.

We have evaluated the methods, assumptions, and data used to develop the allocation of functional expenses in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 25, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.



Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Prior Year Recommendations

Accounting Standards Update 2016-02: Leases (Topic 842)

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02: Leases (Topic 842) which is intended to improve financial reporting over leasing transactions. Under the issuance of subsequent Accounting Standards Updates, ASU 2016-02 will be required to be adopted for the reporting period beginning after December 15, 2021 (reporting period beginning November 1, 2022 and ending October 31, 2023).


Recommendation: The new standard has been adopted as of October 31, 2023 as described on the first page, and the adoption had no material impact on net assets.

This information is intended solely for the use of the Board of Directors and Management of Humanities Montana and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Junkermier, Clark, Campanella, Stevens, P.C.

Missoula, Montana



Humanities Montana

Year End: October 31, 2023

Adjusting Journal Entries

Date: 11/1/2022 To 10/31/2023

Number	Date	Type	Name	Account No	Debit	Credit
AJE-2	10/31/2023	N	Unrestricted Net Assets	3010	1	
AJE-2	10/31/2023	N	Supplies	5060		1
DO NOT POST - To rollforward net assets.						
AJE-3	10/31/2023	N	Accounts Payable	2100	29,000	
AJE-3	10/31/2023	N	Grants Payable-2013	2210		29,000
DO NOT POST - PRESENTATION PURPOSES ONLY - To reclassify AP as Re-Grants Payable						
AJE-5	10/31/2023	N	Accumulated Amortization	1620		6,999
AJE-5	10/31/2023	N	Website	1625	6,036	
AJE-5	10/31/2023	N	Website Expense	5225		6,036
AJE-5	10/31/2023	N	Amortization Expense	5400	6,999	
To capitalize CY website costs and record current year depreciation						
AJE-7	10/31/2023	R	Endowment Distributions	4710		799
AJE-7	10/31/2023	R	Donations-Unrestricted	4730	799	
DO NOT POST - Reclassifying for presentation purposes only. To reclassify endowment distribution from unrestricted donations account.						
					42,835	42,835
Net Income (Loss)				114,287		