

**Big Sky EDA/EDC
Executive Committee Agenda
June 2, 2021
7:30 A.M. to 9:15 A.M.
Yellowstone Conference Room**

BIG SKY ED Mission Statement: - Focused on sustaining and growing our region's vibrant economy and outstanding quality of life, **Big Sky Economic Development** provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.

Committee Members EDC –Ann Kosempa, Mac Fogelsong, Kim Jakub, Mike Seppala, Aaron Ramage
EDA –Paul Neutgens, Ken Lutton, Judi Powers, Dana Pulis, Riley Bennett

7:30 A.M.— Call to Order – Ann Kosempa, EDC Chair

Agenda Changes for Today's Meeting

Public Comments/Board Member and Staff Announcements

7:35 AM –REGULAR AGENDA

I. Executive Director's Report- Steve

- Review Final Draft Strategic Priorities and "Board Project" Recommendation (Handout) (Action)
- RVU Update (FYI)
- Staffing Plan Update (FYI)

II. Approval of EDA/EDC Exec. Comm. Minutes

- May 5, 2021 Ex. Committee Meetings (Attachment A) (Action)

III. Approval of EDA/EDC Financials – Shanna

- April 2021 EDA and EDC Financials (Attachment B) (Action)
- FY22 Final Preliminary Budget Review (Attachment C) (Action)

IV. Program Directors' Updates

- A. BSTF Application (Attachment D) (Action)
- B. Operations--Becky
 - Big Sky to Sky Point Project Update—Becky (Info)
 - Nominating Committee Update – Ann (Info)
- C. Legislative Update – Austin (Handout) (Info)

Executive Session for Purposes of Executive Director Performance Evaluation

Report Out of Executive Session

Public Comment

Adjourn

Next Executive Committee Meeting – July 7, 2020 (7:30 A.M. to 9:15 A.M.) Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky Economic Development at 256-6871.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes
May 5th, 2021 – 7:00 A.M. to 9:00 A.M.
Yellowstone Conference Room

BIG SKY ED Mission Statement: - Focused on sustaining and growing our region's vibrant economy and outstanding quality of life, **Big Sky Economic Development** provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.

Committee Members Present: **EDA** – Paul Neutgens, Ken Lutton, Riley Bennett
 EDC – Steve Loveless, Ann Kosempa, Mac Fogelsong, Kim Jakub

Committee Members Absent: **EDA** – Dana Pulis, Judi Powers
 EDC – Mike Seppala

Staff and Others Present: Melanie Schwarz, Deanna Langman, Kevin Scharfe, Steve Arveschoug, Austin Trunkle, Becky Rogers, Marcell Bruski, Shanna Zier, Thom MacLean, Kayla Vokral, Brandon Berger, Dianne Lehm, Eric Simonsen

Call to Order:
Steve Loveless, EDC Chair, called the meeting to order at 7:05 A.M.

Agenda Changes for Today's Meeting:
A revised agenda was sent on Monday afternoon. An executive session will take place at the beginning of the meeting.

Executive Session: A motion was made by Paul Neutgens to enter an executive session. Ann Kosempa seconded the motion and the motion passed. The executive session went from 7:19am – 8:10am. During the meeting, The Executive Committee discussed the departure of a staff member and the next steps the organization will take as a result.

Public Comment/Introductions
The Executive Director's performance review will be moved to June.

Agenda:

Executive Director's Report – Steve Metra Park Masterplan Investment

Our initial contribution towards the masterplan was \$15,000. The Commissioners have asked that we consider contributing an additional \$10,000 for a total investment of \$25,000.

Motion: Judi Powers to approve and forward to the Board, the new Opportunity Fund Criteria and Strategy, as presented to the Executive Committee.
Second: Paul Neutgens
Discussion: Above
Motion: Carried

Joint Planning Session

There will be a joint community planning session to help coordinate a common vision among our city's leadership. Karen Miller will be facilitating the event. This will take place at MSUB on May 20th. Steve is hopeful by the end of the meeting that the area partners will be leave with a unified vision of and a narrowed set of priorities.

Strategic Priorities

Steve reviewed the draft strategic priorities and wanted to discuss those with the Executive Committee. Steve would like to facilitate a larger conversation during the May Board Meeting. Steve L asked if these were written in a way that assigned priority from one through five. Steve A noted that he did not have them written in any specific order. Steve A offered a few more thoughts on how to narrow the list and said that he thinks a more robust conversation at the Board meeting may help to define the priorities further.

Approval of Meeting Minutes and Financials

Approval of the April 7th, 2021 EDA/EDC Executive Committee Minutes

Motion: Ken Lutton to approve, the April 7th, Executive Committee Minutes, as presented to the Executive Committee.

Second: Ann Kosempa

Discussion: None

Motion: Carried

Approval of March EDA/EDC Financials – Shanna

On the EDA balance sheet, Shanna noted that current assets decreased slightly at the end March and accounts receivable also decreased. Accounts payable decreased and that can largely be attributed to the payment of an invoice for Cushing Terrell's work on the Montana National Bank Building.

On the statement of revenue and expenses, revenue remains a bit over budget due to an increase in mill levy revenue and how we are recognizing grant dollars. Most expenses remain under budget through March. Salary and wages expense is under budget due to vacancy savings.

On the EDC balance sheet, current assets decreased very slightly from February to March. Accounts receivable continued to decrease as we receive payments for the healthcare appreciation sponsorships and Member Investor pledges. In February, we completed the third quarter invoicing for member investor pledges.

The RLF portfolio totaled \$381,000, the SSBCI portfolio totaled \$623,000, and the Stabilization Loan portfolio totaled \$106,000 through the end of March. As a reminder, we began amortizing the loans in the Stabilization Loan Portfolio in March.

On the statement of revenue and expenses, loan servicing revenue is slightly above budget and origination revenue is below budget. Member investor revenue remains a bit below budget due to timing. We also received coronavirus relief funds which were unbudgeted revenue. Most expenses remain close to or below budget. Professional fees increased and largely consist of payments to our auditors, legal fees for the 504 program, and recruitment expenses. Sponsorship expense totaled \$12,000 and remains below budget through March. Travel/training expense remains under budget by about \$11,000 for the year.

Motion: Mac Fogelson to approve and forward to the Board, the March 2021 EDA/EDC Financials, as presented to the Executive Committee.

Second: Ann Kosempa

Discussion: None

Motion: Carried

FY 22 Draft Budget Review – Shanna

Shanna reviewed the guiding principles and budget assumptions for FY 22. Shanna noted that many of the assumptions are consistent with how we proceeded last year. We will be working to resume travel and training opportunities and hosted meetings which will be reflected in the draft budget. Shanna continued by projecting EDC Revenue and EDC Expenses. With respect to the Management Services Agreement, no changes will be made

at this time. Shanna then broke out the budgets and projections for all of BSED's programs on both the EDA and EDC for FY 22 and compared them to FY 21.

Program Directors/Leaders' Updates

Nominating Committee Recommendation – Becky

Due to Steve Loveless departing SCL health, it has been recommended that a special election of the Member Investors be held to confirm Brad Hamilton, also with SCL Health, to serve the remainder of Steve Loveless' term.

Additionally, it is recommended that Ann serve the remainder of Steve's chairmanship term, that Kim Jakub move to the position of vice chair, and that Aaron Ramage serve the remainder of the year as Member at Large.

Motion: Mac Fogelsong to approve and forward to the Board, the nomination of Brad Hamilton to the EDC Board and the realignment of officer roles, as presented to the Executive Committee.

Second: Ken Lutton

Discussion: None

Motion: Carried

Operations: Big Sky to Sky Point Project – Becky

Becky continued with a Big Sky to SkyPoint project update. In partnership with our Board Members, TW Clark, and Cushing Terrell, we have identified roughly \$500,000 in post-bid value engineering cost savings. The changes will not affect any of the programming that has been outlined. The revised bid amount that will be provided to the Federal EDA now sits around \$3.5M. The EDA will then require BSED to provide a commitment to covering the cost overruns. Becky then presented the commitment concept to the Executive Committee. Conversation continued amongst the Executive Committee about how this shortfall will be covered. Steve A also provided his input on the concept.

Public Comment:

Melanie noted that there will be continued vaccination clinics throughout town including at the upcoming Strawberry Festival.

Ken Lutton asked if there has been any conversations with our landlords regarding our current lease. Becky replied that we will be addressing that as a part of our next steps in the coming weeks.

Adjourn:

Steve Loveless adjourned the meeting at 9:15am.

Next Meeting – June 2nd, 2021



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT B

Big Sky Economic Development Authority
Financial Report for the Executive Committee and Board of Directors
May 25, 2021

Included with this report is balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDA as of April 30, 2021. Also included is the statement of revenue and expenses through ten months of FY21 as compared to budget.

Balance Sheet

Current assets decreased slightly to about \$4,902,000 at the end of April from \$4,974,000 at the end of March. Accounts receivable increased from \$173,000 to \$215,000. The receivable consists of U.S. EDA (\$43,000), VBOC (\$26,000), PTAC (\$82,000), and SBDC (\$64,000).

Due To/Due From EDC totaled approximately \$49,000 at the end of April and consists of the April amount due from EDC. The tax levy receivable decreased slightly to \$502,000 from \$508,000. Protested tax receivable remained consistent at \$5,800. An allowance totaling approximately \$5,800, or 100% of protested tax levy receivable is reflected to allow for potentially uncollectible protested tax levy. Total fixed assets totaled \$1,828,000 at the end of April. The increase in fixed assets from March to April is attributed to reclassifying \$267,000 in professional fees related to the Big Sky to Sky Point project to Construction in Progress.

Accounts payable totaled \$55,000 at the end of April. Accrued expenses total approximately \$100,000 and consist largely of salary/benefits accruals (\$72,000) and Space2Place Grant accruals (\$23,500). Space2Place grants were awarded and booked in April. Total accruals for FY21 total \$20,000. Deferred revenue totals \$55,000 and consists of \$50,000 conditional grant award amount from Beartooth RC&D and \$5,000 from MSU/City of Bozeman for PTAC support.

Statement of Revenue and Expenses

Revenue is about \$54,000 over budget through nine months of the fiscal year. There are a few factors for this variance in revenue. Mill Levy Revenue increased to \$1,261,000 in April. This revenue is about \$41,000 over budget. As a reminder, when we budgeted for FY21, we took a conservative approach and budgeted for 3% in property tax protest. In addition, based on revenue recognition guidance, \$150,000 of the \$200,000 from the Beartooth RC&D CARES Act Grant was recognized immediately. The remaining \$50,000 will be recognized at the end of the next year following all conditions being satisfied (this amount is in deferred revenue).

Department of Defense (PTAC), VBOC, and EPA-Brownfields revenue amounts remain under budget due to actual expenses. SBA/MT Dept of Commerce (SBDC) revenue increased in April with the payment of some larger professional fee expenses related to the SBDC CARES Act funding.

Most expenses remain under budget through April. Salary/wage expense totaled \$1,259,000 through April. This amount is about \$141,000 under budget due to vacancy savings. Professional fees total \$128,000 and remain under budget based on timing of budgeted expenses for Brownfields fees. Professional fees increased in April with the payment of professional fees related to the documentary funded with SBDC CARES Act funding. I have separated out the professional fees related to the Big Sky to Sky Point project under the non-operating income/expense section. In consultation with Anderson ZurMuehlen, architectural professional fees have been reclassified and booked as an asset. This asset will be depreciated over the life of the building. This reclassification

entry moved \$241,000 of professional fees from the architectural/professional fee line in the non-operating income/expense section of the Statement of Revenue and Expenditures to Construction in Progress on the balance sheet. Travel/training expenses remain under budget and totaled approximately \$19,000. Travel/training expenses are about \$61,000 under budget through April.

Through ten months of FY21 Big Sky EDA recognized revenue in-excess of expense totaling about \$734,000, which was approximately \$706,000 more than the budgeted amount. When excluding the non-operating income/expenses (interest income, U.S. EDA reimbursement, professional fees related to the Big Sky to Sky Point project, and depreciation expense), Big Sky EDA recognized revenue in-excess of expense of about \$655,000, which is about \$476,000 more than budgeted.

Big Sky EDA
Comparative Balance Sheet
As of April 30, 2021 and 2020

	4/30/2021	4/30/2020	+/-	6/30/2020	+/-
Assets					
First Interstate Bank	\$253,421	\$146,817	\$106,604	\$164,986	\$88,436
FIB-Recovered Property Taxes	179,763	148,202	31,561	148,202	31,561
FIB-Operating Reserve	301,039	-			
Opportunity Fund-FIB	346,442	16,256	330,186	16,169	330,273
Opportunity Fund-Stockman	54,766	3,619	51,148	44,519	10,248
Opportunity Fund-Opportunity Bank	624,440	620,510	3,930	621,300	3,140
Stockman GE Maintenance	15,128	15,128	-	15,128	-
Rocky Mountain Bank Money Market	493,229	492,761	468	492,843	386
Opportunity Fund - CDs (current)	2,404,870	276,727	2,128,144	2,404,278	593
Altana Savings	25	-	25		
Yellowstone County Funds	228,556	112,902	115,653	535,969	(307,413)
Total Current Assets	4,901,679	1,832,921	3,068,759	4,443,392	458,287
Other Assets					
Accounts Receivable	214,976	265,781	(50,805)	680,373	(465,396)
Grants Receivable	100,000	-	100,000	-	100,000
American Revenue Guarantee	6,887	6,887	-	6,887	-
Due To/Due From EDC	48,757	91,598	(42,840)	57,548	(8,791)
Tax Levy Receivable	501,758	495,537	6,221	26,597	475,161
Tax Levy Receivable - Protested	5,801	21,264	(15,463)	21,479	(15,679)
Allowance for Doubtful Accounts	(5,801)	(21,264)	15,463	(21,479)	15,679
Prepaid Expenses	21,646	11,284	10,362	18,556	3,089
Deposit	-	1,390	(1,390)	1,390	(1,390)
Undeposited Funds	-	-	-	-	-
Interest Receivable	-	2,421	(2,421)	8,509	(8,509)
Miscellaneous Receivable	-	-	-	-	-
Total Other Assets	894,024	874,898	19,126	799,860	94,164
Non-Current Assets					
Opportunity Fund - CDs (non-current)	1,652,136	3,364,162	(1,712,027)	1,250,358	401,778
Loans Receivable	-	400,000	(400,000)	400,000	(400,000)
TEDD Receivable	23,875	34,100	(10,225)	34,100	(10,225)
Cabela's Conduit	4,984	318	4,666	9,649	(4,665)
Deferred Outflow of Resources	146,350	247,689	(101,340)	147,067	(717)
Total Non-Current Assets	1,827,344	4,046,270	(2,218,926)	1,841,173	(13,829)
Fixed Assets					
Construction in Progress	267,458	-	-		
Bank Building - Land	272,000	272,000	-	272,000	-
Bank Building - Building	1,328,000	1,328,000	-	1,328,000	-
Accumulated Depreciation	(39,727)	(5,675)	-	(11,350)	-
Total Fixed Assets	1,827,731	1,594,325	-	1,588,650	-
Total Assets	9,450,779	8,348,414	1,102,365	8,673,075	777,704
Liabilities & Equity					
Current Liabilities					
Accounts Payable	74,230	37,521	36,709	51,901	22,329
Accrued Expenses	100,150	83,065	17,085	109,334	(9,184)
Deferred Revenue	55,000	7,915	14,000	1,598	-
Payroll Liabilities	(626)	607	(1,233)	355	(981)
Compensated Absences	149,403	147,540	1,863	170,250	(20,847)
Total Current Liabilities	378,157	276,648	101,509	333,438	44,719
Long Term Liabilities					
Deferred inflow or Resources	68,045	13,741	54,304	68,045	-
Pension Liability	825,316	884,804	(59,488)	825,316	-
Total Long Term Liabilities	893,361	898,545	(5,184)	893,361	-
Current Year Excess of Revenue over Expenses	733,702	1,400,070	(666,368)	1,673,125	(939,423)
Balance at Beginning of Year	7,445,559	5,773,151	1,672,408	5,773,151	1,672,408
Net Assets	8,179,261	7,173,221	1,006,040	7,446,276	732,985
Total Liabilities & Equity	9,450,779	8,348,414	1,102,366	8,673,075	777,704

Big Sky EDA
Statements of Operations
For the Periods Ending April 30, 2021

	Month			YTD			Fiscal Year Projection		
	Actual	Budget	Variance	Actual	Budget	Variance	Year-end Projection	Budget	Variance
Operating Revenue									
County Taxes (Mill Levy Revenue)	\$6,245	\$0	\$6,245	\$1,261,596	\$1,220,100	\$41,496	\$1,261,596	\$1,220,100	\$41,496
Entitlement	-	-	-	179,497	\$176,250	3,247	235,000	\$235,000	\$0
Health Insurance Mill Levy	8,480	9,922	(1,442)	82,680	97,393	(14,713)	81,620	117,236	(35,616)
Recovery of Protested Taxes	-	-	-	9	-	9	9	-	9
Department of Defense	40,000	45,868	(5,868)	397,818	458,684	(60,866)	477,818	550,421	(72,603)
EDC Reimbursement	48,373	48,251	122	459,256	482,510	(23,254)	553,652	579,012	(25,360)
EPA-Brownfields	1,968	10,833	(8,865)	41,867	110,833	(68,966)	85,000	132,500	(47,500)
SBA/MT Dept of Commerce	19,323	21,779	(2,457)	228,243	217,724	10,519	251,399	261,282	(9,883)
SBDC Program Income	-	-	-	-	-	-	-	-	-
VBOC	12,834	23,971	(11,137)	207,005	250,300	(43,295)	241,484	300,000	(58,516)
Rents/Leases	-	-	-	5,736	1,912	3,824	5,736	1,912	3,824
Grant Administration	16,796	292	16,504	34,703	2,917	31,786	34,703	3,500	31,203
Beartooth RC&D CARES Act	-	-	-	150,000	-	150,000	150,000	-	150,000
Other Intergovernmental Revenue	1,667	-	1,667	16,598	-	16,598	19,932	-	19,932
Miscellaneous Revenue	-	-	-	10,000	1,950	8,050	10,000	1,950	8,050
Total Revenue	155,685	160,916	(5,231)	3,075,008	3,020,573	54,435	3,407,950	3,402,913	5,037
Operating Expenses									
Salaries/Wages	124,830	140,435	(15,605)	1,258,698	1,399,362	(140,665)	1,529,907	1,679,819	(149,912)
Employer Contributions	41,261	48,421	(7,160)	414,437	465,317	(50,879)	532,767	559,084	(26,317)
BID Assessment	-	-	-	1,890	-	1,890	1,890	-	1,890
Contingency	-	4,208	(4,208)	-	42,083	(42,083)	10,000	50,497	(40,497)
Community Development Projects	20,006	2,500	17,506	19,745	25,000	(5,255)	20,006	30,000	(9,994)
Dues and Subscriptions	2,825	1,592	1,233	62,186	58,643	3,543	64,643	64,643	-
Event Expense	-	-	-	-	-	-	-	-	-
Insurance	1,779	752	1,027	13,215	22,480	(9,265)	16,773	23,984	(7,211)
Marketing - Departmental	198	2,036	(1,838)	7,139	20,360	(13,220)	24,432	24,432	-
Marketing - Organizational	2,548	2,667	(119)	26,410	26,667	(257)	32,000	32,000	-
Office Equipment	-	-	-	1,125	6,500	(5,375)	6,500	6,500	-
Office Expense	5,093	1,597	3,496	19,878	20,095	(217)	23,854	23,289	565
Professional Fees	12,079	11,833	246	128,273	141,043	(12,771)	237,228	167,958	69,270
Property Tax Protests	-	-	-	13,903	37,350	(23,447)	13,903	37,350	(23,447)
PTAC Satellite	10,049	12,481	(2,432)	104,324	124,811	(20,487)	131,188	149,773	(18,585)
PTAC Subcenter	11,816	14,764	(2,948)	125,408	147,643	(22,235)	149,040	177,171	(28,131)
Rent	11,622	11,724	(102)	118,246	118,444	(198)	141,895	142,295	(400)
Repairs	-	-	-	933	-	933	1,000	-	1,000
Sponsorships	-	-	-	-	-	-	2,500	2,500	-
Strategic Priorities	-	1,250	(1,250)	10,000	12,500	(2,500)	10,000	15,000	(5,000)
TEDD	-	-	-	60	1,500	(1,440)	1,000	2,000	(1,000)
Telecommunications	4,804	5,161	(358)	47,128	51,612	(4,484)	56,554	61,933	(5,379)
Travel/Training	1,181	10,711	(9,529)	19,292	80,510	(61,218)	29,187	100,258	(71,071)
Utilities	1,278	2,000	(722)	14,169	20,000	(5,831)	17,003	24,000	(6,997)
Miscellaneous	1,585	1,622	(37)	13,759	19,826	(6,067)	16,511	23,200	(6,689)
Total Operating Expenses	252,955	275,755	(22,800)	2,420,218	2,841,745	(421,527)	3,069,781	3,397,686	(327,905)
Net Operating Revenue	(97,270)	(114,839)	17,569	654,789	178,827	475,962	338,169	5,227	332,942
Non-Operating Income/Expense									
Interest Income	346	1,687	(1,342)	8,919	16,873	(7,953)	10,000	20,247	(10,247)
US EDA Reimbursement	2,274	8,749	(6,475)	103,634	131,348	(27,713)	114,923	148,822	(33,899)
Grant Revenue (GASB 68)	-	-	-	-	-	-	-	-	-
Architectural/Professional Fees	-	17,498	(17,498)	5,265	270,743	(265,478)	5,265	302,492	(297,227)
Pension Expense	-	-	-	-	-	-	-	-	-
Depreciation Expense	2,838	2,838	-	28,376	28,376	-	34,051	34,051	-
Total Non-operating Income/Expense	(218)	(9,900)	9,682	78,912	(150,899)	229,811	85,607	(167,474)	253,081
Net Revenue Over (Under) Expense	(97,488)	(124,738)	27,250	733,702	27,928	705,774	423,775	(162,247)	586,022

Big Sky Economic Development Corporation
Financial Report for the Executive Committee and Board of Directors
May 25, 2021

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDC as of April 30, 2021. Also included is the statement of revenue and expenses through ten months of FY21 as compared to budget.

Balance Sheet

Current assets totaled approximately \$1,949,000 at the end of April, a slight increase from \$1,898,000 at the end of March. Accounts receivable total \$51,250 and consists of Healthcare Appreciation Sponsorships (\$1,000), Member Investor pledges for FY21 (\$42,250), and Member Investor pledges for FY20 (\$8,000).

The RLF portfolio totaled \$377,000, the SSBCI portfolio totaled \$621,000, and the Stabilization Loan portfolio totaled \$103,000 at the end of April. As a reminder, we began amortizing the loans in the Stabilization Loan Portfolio in March.

Accounts payable totaled \$24,000 at the end of April. Deferred 504 revenue decreased slightly from \$33,000 and totaled \$29,000. The fluctuation in deferred 504 revenue is from the collection of a deposit for a new loan along with a decrease in deferred 504 revenue due to a loan that will not be funded. Deferred 504 revenue will be recognized as loans fund. Due to/Due from EDA totaled approximately \$49,000 and represents the amount owed to EDA from EDC for April reimbursement.

Statement of Revenue and Expenses

The 504 loan servicing revenue totaled \$423,000 through April. This is approximately \$4,000 over budget. There have been some payoffs in the 504 loan portfolio. Since February 2021, monthly servicing income has decreased about \$7,000 a month due to loan payoffs. The 504 loan origination revenue totaled \$53,000 through April, which is approximately \$72,000 below budget. This variance is partially attributed to timing of budgeted revenue; however, we will likely end the fiscal year under budget in this revenue line item based on staffing for the Big Sky Finance team and the timing of future closings. We are anticipating 504 loan origination income of about \$63,000 for the fiscal year. Member investor revenue totaled approximately \$172,000 and is about \$18,000 under budget due to timing. We completed the fourth quarter member investor invoicing in May. This will increase member investor revenue to approximately \$262,000 for the fiscal year.

Through April, we have recognized \$107,000 in grant revenue from the State of Montana Coronavirus Relief funds. This was un-budgeted revenue, used to cover additional expenses associated with the different Coronavirus Relief grants. The restricted donations for the Coulson Park project are being tracked in a separate Coulson Park revenue account in the non-operating income section of the statement. Coulson Park donations total \$51,500 through April.

Most expenses remain close to or below budget. Dues and subscriptions total \$25,000 and are slightly over budget. EDA reimbursement remains below budget due to vacancy savings in Big Sky Finance. As discussed previously, a separate account was added to track expenses related to the Healthcare Appreciation event. Expenses related to this event totaled \$75,000. This unbudgeted event was funded by a combination of donations (Healthcare Appreciation Income) and funds from the Coronavirus Relief Funds. Professional fees total \$53,000 through April. This consists largely of \$14,500 in expenses for Anderson ZurMuehlen's financial statement audit and 990 preparation,

\$13,000 in legal fees related to the 504 loan program, \$17,000 in recruitment professional fees, \$5,500 for the loan review, and \$3,000 in consulting fees. Sponsorship expense totaled \$12,000 and remains below budget through April. Travel/training expense remains under budget by about \$10,000 for the year.

Through ten months of FY21 Big Sky EDC recognized revenue in excess of expenses totaling about \$120,000, which was approximately \$123,000 more than the budgeted amount. When excluding the non-operating income/expenses (bad debt expense and Coulson Park donations), Big Sky EDC recognized revenue in-excess of expenses of about \$85,000, which is about \$78,000 more than budget for the year.

Big Sky EDC
Comparative Balance Sheet
As of April 30, 2021 and 2020

	4/30/2021	4/30/2020	+/-	6/30/2020	+/-
Assets					
First Interstate Bank	\$290,068	\$235,615	\$54,453	\$245,165	\$44,903
FIB/Stockman SSBCI Principal	1,109,450	1,011,401	98,049	1,005,566	103,884
FIB-Long Term Reserve	300,000	250,000	50,000	250,000	50,000
FIB-Opportunity Fund	22,200	22,200	-	22,200	-
FIB-RLF	104,493	149,123	(44,629)	179,960	(75,466)
FIB-OBSD Restricted	-	-	-	-	-
Accounts Receivable	51,250	144,700	(93,450)	61,184	(9,934)
Contributions Receivable	-	-	-	-	-
Miscellaneous Receivable	-	-	-	-	-
Prepaid Expenses	7,471	5,776	1,695	8,276	(805)
Undeposited Funds	-	-	-	-	-
Stabilization Portfolio - Current	29,578	122,000	(92,422)	31,849	(2,271)
RLF Portfolio-Current	14,428	107,622	(93,194)	32,036	(17,608)
SSBCI Portfolio-Current	20,076	8,273	11,803	47,744	(27,667)
Total Current Assets	1,949,015	2,056,710	(107,695)	1,883,980	65,035
Other Assets					
RLF Portfolio-Non Current	362,204	231,480	130,724	278,314	83,889
SSCBI Portfolio-Non Current	601,210	647,513	(46,303)	601,615	-404.91
Stabilization Portfolio-Non Current	73,258	-	-	105,151	-
Allowance for Loan Losses	(21,934)	-	(21,934)	(21,934)	-
Total Other Assets	1,014,738	878,993	135,745	963,146	83,484
Fixed Assets					
Bank Building - Building	-	-	-	-	-
Bank Building - Land	-	-	-	-	-
Total Fixed Assets	-	-	-	-	-
Total Assets	2,963,753	2,935,702	28,050	2,847,126	148,519
Liabilities & Equity					
Current Liabilities					
Accounts Payable	24,421	25,627	(1,206)	14,200	10,221
Property Tax Payable	-	-	-	-	-
Accrued Expenses	2,500	22,500	(20,000)	-	2,500
Deferred 504 Revenue	28,555	57,252	(28,696)	35,811	(7,256)
Deferred Revenue	-	-	-	-	-
Due to/Due from EDA	48,757	91,598	(42,840)	57,548	(8,791)
Total Liabilities	104,233	196,976	(92,743)	107,559	(3,325)
Current Year Excess of Revenue over Expenses	119,952	(481,158)	601,110	(480,316)	600,268
Balance at Beginning of Year	2,739,567	3,219,883	(480,316)	3,219,883	(480,316)
Net Assets	2,859,519	2,738,726	120,794	2,739,567	119,952
Total Liabilities & Equity	2,963,753	2,935,702	28,050	2,847,126	116,626

Big Sky EDC
Statements of Operations
For the Periods Ending April 30, 2021

	Month			YTD			Fiscal Year Projection		
	Actual	Budget	Variance	Actual	Budget	Variance	Year-end Projection	Budget	Variance
Operating Revenue									
504 Loan Origination	\$0	\$5,455	(\$5,455)	52,539	\$124,091	(\$71,552)	62,821	\$135,000	(\$72,179)
504 Loan Servicing	37,375	40,500	(3,125)	422,575	418,500	4,075	494,874	499,500	(4,626)
Float Income	-	-	0	7,474	-	7,474	21,837	-	21,837
CTE Director Donations (Restricted)	-	-	0	-	-	0	-	-	-
Member Investment	12,000	-	12,000	171,875	189,750	(17,875)	262,375	253,000	9,375
RLF Business Loan Interest	2,078	1,417	661	16,121	14,167	1,954	19,345	17,000	2,345
RLF Origination Fees	-	-	0	-	-	0	-	5,000	(5,000)
Stabilization Loan Interest	177	417	(239)	2,082	4,167	(2,084)	2,499	-	2,499
SSBCI Revenue	1,886	1,500	386	15,838	15,000	838	19,005	18,000	1,005
Recovery of Bad Debt	-	-	0	-	-	0	-	-	-
Coronavirus Relief Funds	-	-	0	107,489	-	107,489	107,489	-	107,489
Healthcare Appreciation Income	-	-	0	33,273	-	33,273	33,273	-	33,273
Miscellaneous Revenue	1	-	1	12,644	-	12,644	12,644	-	12,644
Total Revenue	53,518	49,288	4,230	841,909	765,674	76,235	1,036,161	927,500	108,661
Operating Expenses									
Business Incubation	-	125	(125)	1,211	1,250	(39)	1,500	1,500	-
Business Recruitment	-	208	(208)	3,529	2,083	1,446	6,779	2,500	4,279
Contingency	-	1,667	(1,667)	4,000	16,667	(12,667)	4,000	20,000	(16,000)
Dues and Subscriptions	4,554	3,346	1,208	25,433	19,968	5,464	29,433	21,561	7,872
EDA Reimbursement	48,373	48,251	122	459,256	482,510	(23,254)	556,002	579,012	(23,010)
Event Expense	584	10,000	(9,416)	17,462	32,500	(15,038)	30,000	33,500	(3,500)
Healthcare Appreciation	-	-	-	74,590	-	74,590	74,590	-	74,590
Insurance	881	865	16	8,620	8,650	(30)	10,382	10,380	2
Investment in Economic Activity	-	-	-	-	-	-	5,000	5,000	-
Marketing - Departmental	1,118	1,958	(840)	25,348	19,983	5,365	34,399	23,900	10,499
Marketing - Organizational	72	1,292	(1,220)	41,578	12,917	28,662	49,014	15,500	33,514
Membership Development	75	700	(625)	886	7,000	(6,114)	2,400	8,400	(6,000)
Office Supplies	1,982	300	1,682	9,525	3,200	6,325	13,525	3,800	9,725
Professional Fees	3,250	2,583	667	53,510	42,333	11,176	78,000	67,500	10,500
Postage and Printing	121	75	46	675	750	(75)	900	900	-
R31 Outreach	16	117	(101)	586	2,068	(1,482)	2,300	2,300	-
Rent	2,552	2,661	(109)	25,552	26,307	(755)	30,655	31,629	(974)
Sponsorships	-	-	-	12,000	17,700	(5,700)	12,000	19,700	(7,700)
Telecommunications	284	555	(271)	4,030	5,547	(1,517)	6,919	6,656	263
Travel/Training	1,742	1,113	629	13,712	23,635	(9,923)	18,455	27,505	(9,050)
Miscellaneous	(51,692)	2,032	(53,724)	(25,046)	33,320	(58,366)	28,812	39,884	(11,072)
Total Operating Expenses	13,912	77,848	(63,936)	756,457	758,388	(1,931)	995,064	921,127	73,938
Net Revenue Over (Under) Expense	39,605	(28,560)	68,166	85,452	7,286	78,165	41,097	6,373	34,723
Non-Operating Income/Expense									
Non-Operating Income/Expense									
Coulson Park	-	-	-	51,500	-	51,500	51,500	-	51,500
Bad Debt Expense	1,000	1,042	(42)	17,000	10,417	6,583	29,000	12,500	16,500
Total Non-operating Income/Expense	(1,000)	(1,042)	42	34,500	(10,417)	44,917	22,500	(12,500)	35,000
Net Revenue Over (Under) Expense	38,605	(29,602)	68,207	119,952	(3,130)	123,082	63,597	(6,127)	69,723

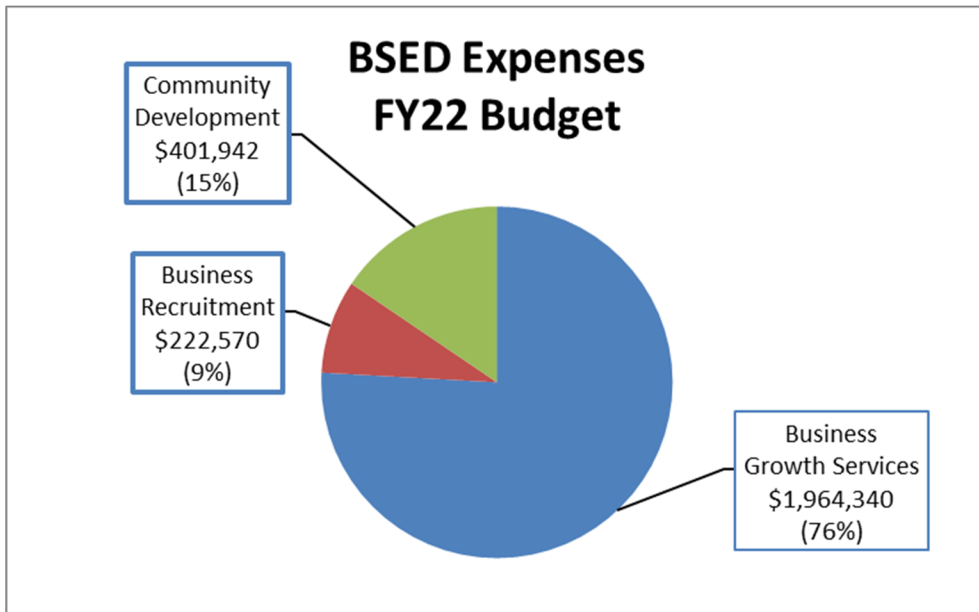
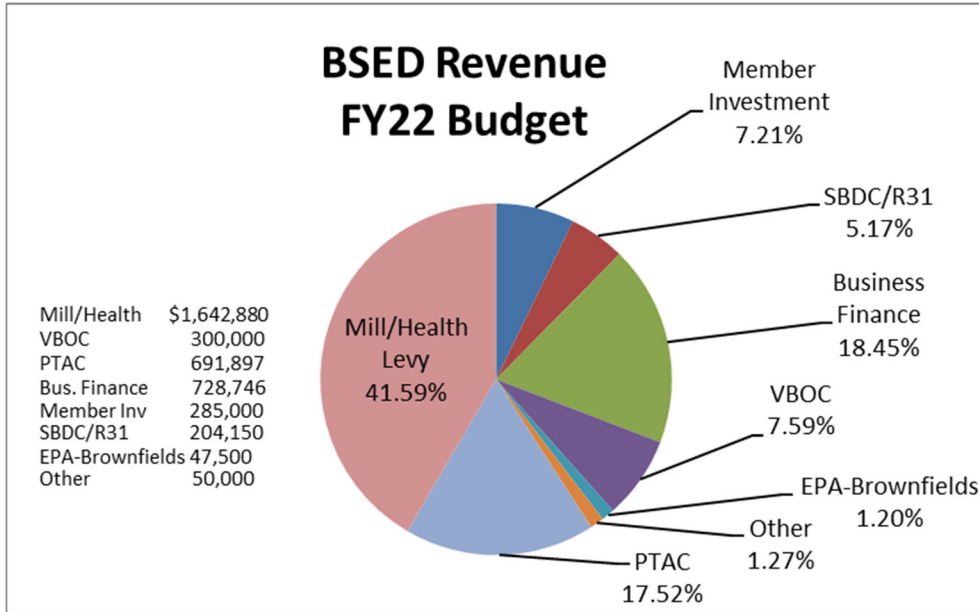


BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT C

Allocation of Resources



FY 2022 Organizational Budget

Resource Allocation Framework

Values that Guide Budget Priorities

- Retain and develop our team
- Allocate resources where we can have the greatest impact
- Create margin to manage uncertainties
- Retain leadership role in our community to build/rebuild our economic future

FY22 Key Assumptions

EDA Revenue Assumptions

- Full mill levy with minimal 3% (\$37,570) increase
- Stable funding from Federal Partners

EDA Expense

- Included expense contingency of \$20,000 (decrease from \$40,000 in FY21)
- Included strategic priorities budget of \$30,000 (increase from \$15,000 in FY21)
- Property tax protest budget of 3% (\$38,310) of mill levy
- Staff salary adjustments of \$46,000
- Placeholder for PTAC Advisor
- Carrying costs for new building total \$54,000
- Resume travel/professional development and hosted meetings

EDC Revenue

- \$265,000 Member-Investor revenue (increase from \$253,000 in FY21)
- \$135,000 SBA 504 loan origination fee revenue (consistent with FY21)
- \$432,000 SBA Loan servicing revenue (decrease from \$499,500 in FY21)

EDC Expense

- Included expense contingency of \$10,000 (decrease from \$20,000 in FY21)
- Placeholder for Big Sky Finance Loan Underwriter

EDA-EDC Cost Sharing

	Salary	Fringe	Rent	Phone & Internet	Liability Insurance
Director- Business Finance	100%	100%	100%	100%	100%
Loan Officers (2 officers & 1 vacancy)	100%	100%	100%	100%	100%
Loan Specialist	100%	100%	100%	100%	100%
Senior Director (vacant)	50%	50%	50%	50%	50%
Director of Marketing and BillingsWorks	50%	50%	50%	50%	50%
Marketing Specialist	50%	50%	50%	50%	50%
Executive Director	25%	25%	-	-	-
Controller	25%	25%	-	-	-

FY22 Budget Comparison

Program Operating Revenue and Expense Comparison FY21 to FY22

	EDA			EDC			Total	
	FY21 Budget	FY21 Projection	FY22 Draft Budget	FY21 Budget	FY21 Projection	FY22 Draft Budget	FY21 Budget	FY22 Draft Budget
Operating Revenue								
Central Services/Admin	1,560,407	1,686,034	1,693,238		153,406		1,560,407	1,693,238
BSTSP	1,912	5,736					1,912	-
Comm Dev	156,216	142,980	66,580				156,216	66,580
CD Projects							-	-
PTAC	563,565	497,750	704,617				563,565	704,617
SBDC	193,430	251,399	223,230				193,430	223,230
SBDC COVID-19	90,854	74,399					90,854	-
Big Sky Finance	403,538	382,088	484,723	674,500	620,380	728,746	1,078,038	1,213,469
Recruitment	6,572	9,271	9,540				6,572	9,540
Workforce	5,512	-	-				5,512	-
Member-Investor/Communications	114,335	116,809	149,094	253,000	262,375	265,000	367,335	414,094
Trade				20,000		20,000	20,000	20,000
VBOC	300,000	241,484	300,000				300,000	300,000
Rock31	6,572						6,572	-
Total Operating Revenue	3,402,913	3,407,950	3,631,022	927,500	1,036,161	1,013,746	4,350,413	4,644,768
Operating Expenses								
Central Services/Admin	891,776	866,183	1,016,126	136,013	200,391	129,808	1,027,789	1,145,934
BSTSP	40,374	35,958	6,398				40,374	6,398
Comm Dev	414,707	365,249	351,942				414,707	351,942
CD Projects	30,000	29,500	45,000				30,000	45,000
PTAC	576,268	515,311	709,679				576,268	709,679
SBDC	255,061	248,862	362,044				255,061	362,044
SBDC COVID-19	90,854	102,692	-				90,854	-
Big Sky Finance	381,184	356,724	458,513	493,143	502,854	612,624	874,327	1,071,138
Recruitment	87,695	115,739	163,221	33,660	35,205	59,349	121,355	222,571
Workforce	82,661	304	22,001	17,050	(827)	2,000	99,711	24,001
Member-Investor/Communications	186,832	183,998	203,326	195,011	166,778	222,810	381,843	426,135
Org Marketing	32,000	32,000	48,211	15,500	49,014	34,000	47,500	82,211
Dept Marketing	8,000	24,432	9,500	23,500	34,399	29,500	31,500	39,000
VBOC	228,347	192,829	228,842				228,347	228,842
Rock31	91,926			7,250	7,250	8,147	99,176	8,147
Total Operating Expenses	3,397,687	3,069,781	3,624,804	921,127	995,064	1,098,239	4,318,814	4,723,043
Net Operating Revenue	5,226	338,169	6,218	6,373	41,097	(84,493)	31,599	(78,275)
Sources of Cash:								
						69,984		69,984
						15,000		15,000
						491		6,709



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT D