

**Big Sky EDA/EDC
Executive Committee Agenda
December 1, 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 Fogelson, Kim Jakub, Mike Seppala, Aaron Ramage
EDA –Paul Neutgens, Ken Lutton, Judi Powers, Dana Pulis, Riley Bennett

7:30 A.M.— Call to Order – Paul Neutgens, EDA Chair

Agenda Changes for Today's Meeting

Public Comments/Board Member and Staff Announcements

- Ex. Committee Members Completing their Service: Mike Seppala, Aaron Ramage, and Dana Pulis

7:35 AM –REGULAR AGENDA

I. Board Projects Update

- Let's Rock Capital Campaign (Goal: \$275k+)—Melanie/Patrick (Handout)
- Member Investor Program (Goal: 160 Members)—Patrick (Handout)

II. Ex. Director Report

- Nominating Committee Recommendations (Via separate email)
(Attachment A) (Action)
 - 1) EDA Applicants
 - 2) 2022 Officers/Executive Committee
- Update: Downtown Workforce Housing Working-Group Meeting (Info)
- Update: MEDA Proposed Executive Director- Update (Info)
- Setting Committee Priorities (sample) (Info)

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

- A. November 3, 2021 Ex. Committee Meetings (Attachment B) (Action)

IV. Approval of EDA/EDC Financials – Shanna

- A. October 2021 EDA and EDC Financials (Attachment C) (Action)
- B. FY21 Audit Presentation (Via separate email) (Action)
- C. Stockman Bank Gift via Stock (Info)

V. Program Directors' Updates

- A. Operations--Becky
 - Rock31/BSED Building Project Update—Becky (Info)
- B. Recruitment Update—Allison (Info)
- C. Big Sky Finance Update—Brandon (Info)
- D. BillingsWorks Update—Marcell (Info)

Executive Session (As Needed)

Public Comment

Adjourn

Next Executive Committee Meeting – January 5, 2022 (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



POWERED BY



December 1, 2021

TO: EDA/EDC Executive Committee and Board of Directors

FROM: Steve Arveschoug

RE: 2022 EDA Board Member and 2022 Officers/Executive Committee Recommendations

EDA Board Appointments

The nomination process for the open EDA Board seats has been concluded. The two open seats this year belonged to Dana Pulis and Greg McDonald, who are both completing their 5-year term on December 31st.

Two applications were received, and the Nominating Committee has interviewed both candidates. The Committee recommends the following for the 2022 EDA Board of Directors with a term beginning January 1, 2022:

1. Bryan Wood – President of Wood's Powr-Grip Co, Laurel
Recommended for a 5-year term
2. Zachary Dunn – President of Yellowstone Bank – Billings Downtown Bank
Recommended for a 5-year term

Please see the attached applications for more information on these two applicants. Also note, the EDA Board will have one vacant position due to the resignation of Jennifer Owen. A new application process will be initiated to fill this vacant position.

EDA/EDC 2022 Officers and Executive Committee

The Nominating Committee also met to consider the 2022 officers and Executive Committee members. Those recommendations include:

EDA Officers

Chair- Ken Lutton
 Vice Chair- Judi Powers
 Secretary/Treasurer- Riley Bennett
 Immediate Past Chair- Paul Neutgens
 Member at Large- Debbie Desjarlais

EDC Officers

Chair- Ann Kosempa
 Vice Chair- Kim Jakub
 Secretary/Treasurer- Andy Gott
 Member at Large- Nick Pancheau
 Member at Large- Jen Kobza

BOARD APPLICATION FORM
YELLOWSTONE COUNTY, MONTANA

NAME: Bryan Wood HOME PHONE: 325-1980
ADDRESS: 1295 Saddleback Ln WORK PHONE: 628-8231
CITY: Laurel STATE: MT ZIP: 59044
BUSINESS OR JOB: Wood's Powr-Grip
E-MAIL ADDRESS: bryanw@wpg.com
BOARD OR COMMISSION APPLIED FOR: EDA Board

Please describe your experience or background that you believe qualifies you for service on this Board or Commission (attach additional sheets if needed):

I have served as President of Wood's Powr-Grip Co., Inc. for the past 19 years. During which time I have been tasked with directing the operations of the company. This has allowed me to be involved in analyzing information that impacts all aspects of the company. This includes extensive involvement in all high level decision involving finances, market analysis, product design, production optimization, and personnel management.

Why do you wish to serve on this Board or Commission?

I believe a community recognizes a tremendous economic benefit from having a robust manufacturing sector. That being the case it is important that the EDA board includes representation from the manufacturing community.

Additional information that you feel is pertinent (attach additional sheets if needed):

I also have extensive experience function as a board member. This experience includes time served on: the Montana State Chamber of Commerce board of directors; the Montana Manufacturing Association board of directors; the Montana Manufacturing Extension Center board of directors; the Laurel School Board; the Laurel Chamber of Commerce board of directors; and the Spika Manufacturing Advisory Board.

Bryan Wood 11/10/21
Signature Date

Return application to: Board of County Commissioners
P.O. Box 35000
Billings, MT 59107-5000

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OFFICE USE ONLY:

APPOINTED: YES ___ NO ___ DATE _____

TERM EXPIRATION DATE: _____

(Circle one)

ORIGINAL APPOINTMENT REAPPOINTMENT TERM NO: _____

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BOARD APPLICATION FORM
YELLOWSTONE COUNTY, MONTANA

NAME: Zachary Dunn HOME PHONE: (406) 855-8129

ADDRESS: 320 Montclair Drive WORK PHONE: (406) 869-3605

CITY: Billings STATE: MT ZIP: 59102

BUSINESS OR JOB: Yellowstone Bank

E-MAIL ADDRESS: zdunn@yellowstonebank.com

BOARD OR COMMISSION APPLIED FOR: EDA

Please describe your experience or background that you believe qualifies you for service on this Board or Commission (attach additional sheets if needed):

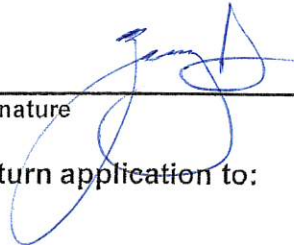
See Attached (#1)

Why do you wish to serve on this Board or Commission?

See Attached (#2)

Additional information that you feel is pertinent (attach additional sheets if needed):

See Attached (#3)

 _____ 11/17/2021
Signature Date

Return application to: Board of County Commissioners
P.O. Box 35000
Billings, MT 59107-5000

OFFICE USE ONLY:

APPOINTED: YES ___ NO ___ DATE _____

TERM EXPIRATION DATE: _____

(Circle one)

ORIGINAL APPOINTMENT REAPPOINTMENT TERM NO: _____

1. As President of the Downtown Billings Yellowstone Bank, I am an active member of the business community. In my position, I serve on Yellowstone Bank's Senior Management Team, Senior Credit Committee and lead business development efforts for the organization. Through my role, I have the opportunity to engage with multiple business owners in the community which offers valuable insight into the local economy and business climate. With growing up in eastern Montana, I understand the important role that Billings plays in serving the surrounding rural communities. My previous board experience includes Downtown Billings Rotary Club, Downtown Billings Partnership, Downtown Billings Alliance, and Burlington Central Little League. Additionally, I currently serve on the Downtown Billings and East Billings Tax Increment Fund review committees.

2. Billings is where my wife and I have chosen to live, work, and raise our three children. I am proud to call it home. I have a vested interest in the community and its economic vibrancy. Being a part of the Board would allow me the opportunity to work with other leaders in the community to address challenges and target opportunities to attract quality businesses to the area.

3. Yellowstone Bank is an active Small Business Administration lender in Montana; consistently ranking amongst the top lenders in the State. I have been a leader in this effort and have comprehensive knowledge of SBA programs. Utilizing SBA programs including SBA 504 loans, ROCK31 services and other financing programs offered by Big Sky EDC are valuable to business owners. Additionally, projects located within Urban Renewal Districts and Opportunity Zones have added benefits. All of which make Billings a unique and desirable location for development. I feel these programs are underutilized and would encourage the continued promotion of these programs and resources.



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT B

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes
November 3rd, 2021 – 7:30 A.M. to 9:15 A.M.
Granite Tower – Yellowstone 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** – Ken Lutton, Riley Bennett, Paul Neutgens, Judi Powers
 EDC – Aaron Ramage, Ann Kosempa, Mac Fogelsong

Committee Members Absent: **EDA** – Dana Pulis
 EDC – Mike Seppala, Kim Jakub

Staff and Others Present: Steve Arveschoug, Becky Rogers, Austin Trunkle, Shanna Zier, Dianne Lehm,
 Thom MacLean, Jo Ann Jones

Call to Order:
Ann Kosempa, EDC Chair, called the meeting to order at 7:32 A.M.

Agenda Changes for Today's Meeting:
None.

Public Comment/Introductions

Steve announced that one of our Board Members is going through some health challenges and that we will be circulating a card full of well-wishes for him.

Board Projects Update

Let's Rock Capital Campaign/Member Investor Program – Steve

Steve is excited about the progress being made on our capital campaign. One of our former Board Members will be contributing \$10,000 toward the Rock31 project and would like to be a mentor for entrepreneurs in the space. At this pace, we are hopeful to hit the \$200,000 mark by year's end. Steve is working to extend Melanie's contract through the first few weeks of 2022.

On the Member Investor side, Steve shared that Patrick has brought on six new Member Investors since he began and has five in the queue. Total Member Investors stands at 129.

Acting Executive Director Report

Nominating Committee Selection Process– Steve

Steve noted that there have been no applicants for the two EDA Board Positions that are open. Those applications must be submitted through the County who will notify us when application do come in.

Steve then listed the roster of individuals that we will be asking to consider applying to be Board Members.

Board Committee Selection Process – Steve Arveschoug

Steve spoke about the Board Committees that help to serve our programs. Steve expressed that it seems the same few folks have ended up on several committees. Steve wants to encourage more of our Board Members to participate in our committees. Steve then asked for the Executive Committee's input on how to achieve that goal.

Downtown Workforce Housing Group Meeting – Steve

Steve continued by speaking about the work of the Downtown Workforce Housing group which includes many of our partners across the city. The purpose of the meeting was how we bring housing to the growing workforce of

our downtown core. Steve gave a couple examples of projects that have been completed or are underway but there is still work to be done in that space.

MEDA Proposed Executive Director Update – Steve

Next, Steve spoke about the plan to hire an Executive Director for the Montana Economic Developers Association. MEDA will also be revising their dues structure to be based upon the operational budget of the member organization. This change will help to pay the salary of the Executive Director. The overarching goal of hiring an Executive Director is to raise the statewide profile of MEDA and to increase the effectiveness of the organization in achieving policy goals.

City/County Regulation of Recreational Marijuana – Austin

Austin gave an update on the work being done related to the legalization of recreational marijuana. Allison spoke at City Council on October 25th and expressed concerns that we have from an economic development perspective.

Letters of Support – ARPA/BBB Grant Applications – Austin

Austin made mention of the letters we have sent supporting the public safety dollars allocated to Billings from the ARPA relief fund and support for the MoNIC Build Back Better Grant Application.

Approval of September 1st Executive Committee Meeting Minutes

Motion: Ken Lutton to approve the September 1st Executive Committee Meeting Minutes, as presented to the Executive Committee.

Second: Judi Powers

Discussion: None

Motion: Carried

Approval of September 2021 EDA/EDC Financials – Shanna

On the EDA Balance Sheet current assets decreased as we made payments to TW Clark. Accounts receivable increased slightly at the end of September due to the receipt of an EDA Grant. Due To/Due from the EDC totaled approximately \$46,000. Accrued expenses total approximately \$97,000 and consist largely of salary/benefits accruals as well as Space2Place grants. Mill levy revenue will likely be seen in November.

On the Statement of Revenue and Expenses, revenue is slightly under budget through September. Most expenses remain under budget through September. Marketing expenses are slightly over budget due to the PTAC GovMatch event. Professional fees are slightly over budget due to the Brownfields Program, but those expenses are 100% reimbursable.

On the EDC Balance Sheet, current assets increased slightly at the end of September. Accounts Receivable also increased slightly. The RLF portfolio totaled \$252,000, the SSBCI portfolio totaled \$614,000, and the Stabilization Loan portfolio totaled \$85,000 at the end of September.

On the EDC Statement of Revenue and Expenses, the 504 loan servicing revenue is close to budget and totaled \$105,500 through September. Loan origination revenue remains below budget but Member Investor revenue increased with first quarter invoices going out. Most expenses remain under budget. Professional fees are under budget due to the timing of budgeted expenses. Travel/training expense are under budget. Sponsorship expense and event expense are slightly over budget based on timing of budgeted expenses.

Motion: Riley Bennett to approve the September 2021, EDA/EDC Financials, as presented to the Executive Committee.

Second: Paul Neutgens

Discussion: None

Motion: Carried

Audit Update – Shanna

Shanna noted that they audit is yet to wrap-up due to some turnover within the auditors' organization. We anticipate they will present the results in December.

Program Directors' Updates

Operations – Becky

Big Sky to Sky Point Project Update – RFP for Furniture Package

Becky presented the Request for Proposal for furniture packages to furnish our new building. Becky noted that there are long lead times for furniture and that we would like to expedite this process. Becky has taken an inventory of our current office furniture and has estimated what we will be able to reuse in the new building. Becky and the team used images and notes to give the prospective company an idea of how we want the space to look and feel and the finishes we desire. Becky spoke about the requirements we need to meet as a public organization when advertising this RFP. All of that will impact our timeline.

Motion: Riley Bennett to approve and forward to the Board, the Furniture RFP Package, as presented to the Executive Committee.

Second: Judi Powers

Discussion: Riley asked Becky to further consider the mandatory information meeting

Motion: Carried

Becky shared construction and demolition progress pictures with the Committee.

Becky made note of some of the precautions the team is taking to stay safe in light of the rise in Covid cases. Becky also noted that our November Board meeting falls on Veterans Day, and we may need to discuss having it on a different day.

Community Development – Dianne

Brownfields Assessment Program Grant Application

Dianne explained the Brownfields Grant Application that was provided to the Executive Committee. For several years, we have held an EPA Brownfields grant to conduct Phase I and Phase II assessments on properties throughout the County. We are eligible to apply for additional funding up to \$500,000. Dianne is asking the Committee to approve and forward to the Board the ability to submit our application for this grant. Dianne noted that there are five or six projects we have line of sight to conduct an assessment on. There is a 20% match requirement that would be met via in-kind staff member time.

Motion: Ken Lutton to approve and forward to the Board, the EPA Brownfields Grant Application, as presented to the Executive Committee.

Second: Aaron Ramage

Discussion:

Motion: Carried

Executive Session:

None

Public Comment:

None

Adjourn:

Ann Kosempa adjourned the meeting at 9:10am.

Next Meeting – December 1st, 2021



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT C

Big Sky Economic Development Authority
Financial Report for Board of Directors
November 19, 2021

Included with this report is balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDA as of October 31, 2021. Also included is the statement of revenue and expenses through the first four months of FY22 as compared to budget.

Balance Sheet

Current assets decreased to about \$5,842,000 at the end of October from \$5,955,000 at the end of September. Accounts receivable decreased from \$367,500 in September to \$355,000. The receivable consists of U.S. EDA (\$167,000), VBOC (\$29,000), PTAC (\$127,000), and SBDC (\$32,000).

Due To/Due From EDC totaled approximately \$49,000 at the end of October and consists of the October amount due from EDC. Tax levy receivable increased to \$1,297,000 in October with the addition of the 2021 property tax receivable. Protested tax receivable remained unchanged and totaled \$110. An allowance totaling \$110, or 100% of protested tax levy receivable is reflected to allow for potentially uncollectible protested tax levy. Total fixed assets totaled \$2,525,500 at the end of October.

Accounts payable totaled \$53,500 at the end of October. Accrued expenses total approximately \$86,000 and consist largely of salary/benefits accruals (\$76,500) and Space2Place Grant accruals. We paid out \$11,000 in Space2Place Grants in October, decreasing the Space2Place Grant accrual to \$4,500. Deferred revenue totals \$50,000 and consists of \$50,000 conditional grant award amount from Beartooth RC&D.

Statement of Revenue and Expenses

Revenue is about \$38,000 under budget through the first four months of the fiscal year. With the addition of the 2021 property tax receivable, we recognized approximately \$1,294,000 in mill levy revenue. EPA-Brownfields revenue is over budget based on timing of expenses associated with this grant. Department of Defense (PTAC) and VBOC revenue amounts are below budget based on actual expenses incurred through October.

Most expenses remain under budget through October. Salaries/wages and employer contributions are under budget by about \$40,000 due to vacancy savings. Travel/training is under budget by about \$46,000 through October. Marketing expenses remain slightly over budget due to a larger invoice for the PTAC GovMatch event in July. Professional fees total \$130,000 and are over budget by about \$46,000 largely based on expenses related to Brownfields. Brownfields expenses totaled \$78,000 through October. These expenses are 100% reimbursable.

Through the first four months of FY22, Big Sky EDA recognized net operating revenue of \$1,112,000 compared to budget of \$1,380,000. When excluding non-operating revenues/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 net operating revenues of \$913,000 compared to budget of \$819,000.

Big Sky EDA
Comparative Balance Sheet
As of October 31, 2021 and 2020

	10/31/2021	10/31/2020	+/-	6/30/2021	+/-
Assets					
First Interstate Bank	\$121,836	\$397,166	(\$275,330)	\$229,874	-\$108,038
FIB-Recovered Property Taxes	377,795	148,202	229,593	177,795	200,000
FIB-Operating Reserve	251,053	51,032	200,021	301,044	
Opportunity Fund-FIB	106,681	521,369	(414,688)	940,395	(833,714)
Opportunity Fund-Stockman	65,008	44,528	20,479	64,997	11
Opportunity Fund-Opportunity Bank	626,124	622,630	3,494	625,004	1,120
Stockman GE Maintenance	15,128	15,128	-	15,128	-
Rocky Mountain Bank Money Market	493,323	493,009	314	493,262	61
Valley Federal- Savings	25	-	25	-	25
Valley Federal- Money Market	300,207	-	300,207	-	300,207
Opportunity Fund - CDs (current)	3,310,551	2,404,278	906,273	3,309,497	1,053
Altana Savings	25	-	25	25	
Yellowstone County Funds	174,207	200,958	(26,751)	570,859	(396,652)
Total Current Assets	5,841,963	4,898,300	943,663	6,727,879	(885,916)
Other Assets					
Accounts Receivable	354,882	138,599	216,283	141,814	213,068
Grants Receivable	50,000	150,000	(100,000)	100,000	(50,000)
American Revenue Guarantee	6,887	6,887	-	6,887	-
Due To/Due From EDC	49,284	48,380	904	62,431	(13,147)
Tax Levy Receivable	1,297,284	1,238,532	58,753	17,649	1,279,635
Tax Levy Receivable - Protested	111	21,479	(21,368)	665	(554)
Allowance for Doubtful Accounts	(111)	(21,479)	21,368	(665)	554
Prepaid Expenses	23,022	15,983	7,039	30,393	(7,370)
Deposit	-	1,390	(1,390)	-	-
Undeposited Funds	-	-	-	-	-
Interest Receivable	-	-	-	-	-
Miscellaneous Receivable	-	-	-	-	-
Total Other Assets	1,781,360	1,599,771	181,589	359,174	1,422,186
Non-Current Assets					
Opportunity Fund - CDs (non-current)	150,577	1,501,926	(1,351,349)	150,388	189
Loans Receivable	-	-	-	-	-
TEDD Receivable	13,650	34,100	(20,450)	13,650	-
Cabela's Conduit	4,984	9,649	(4,665)	4,984	0
Deferred Outflow of Resources	249,285	146,350	102,935	249,285	-
Total Non-Current Assets	418,496	1,692,024	(1,273,529)	418,307	189
Fixed Assets					
Construction in Progress	797,754	-	797,754	275,627	
Bank Building - Land	301,750	301,750	-	301,750	-
Bank Building - Building	1,473,250	1,473,250	-	1,473,250	-
Accumulated Depreciation	(47,220)	(22,701)	(24,519)	(47,220)	-
Total Fixed Assets	2,525,534	1,752,299	773,235	2,003,407	-
Total Assets	10,567,352	9,942,394	624,958	9,508,766	1,058,586
Liabilities & Equity					
Current Liabilities					
Accounts Payable	53,492	46,781	6,711	80,102	(26,610)
Accrued Expenses	86,107	99,861	(13,753)	99,860	(13,753)
Deferred Revenue	50,000	65,000	14,000	51,667	-
Payroll Liabilities	(629)	(233)	(396)	(590)	(38)
Compensated Absences	173,068	164,026	9,042	184,483	(11,415)
Total Current Liabilities	362,039	375,435	(13,396)	415,522	(53,483)
Long Term Liabilities					
Deferred inflow or Resources	32,238	68,045	(35,807)	32,238	-
Pension Liability	1,127,529	825,316	302,213	1,127,529	-
Total Long Term Liabilities	1,159,767	893,361	266,406	1,159,767	-
Current Year Excess of Revenue over Expenses	1,111,879	1,053,039	58,841	312,919	798,961
Balance at Beginning of Year	7,933,667	7,620,559	313,108	7,620,559	313,108
Net Assets	9,045,546	8,673,598	371,949	7,933,478	1,112,069
Total Liabilities & Equity	10,567,352	9,942,394	624,958	9,508,766	1,058,586

Big Sky EDA
Statements of Operations
For the Periods Ending October 31, 2021

	Month			YTD			Fiscal Year Projection		
	Actual	Budget	Variance	Actual	Budget	Variance	Year-end Projection	Budget	Variance
Operating Revenue									
County Taxes (Mill Levy Revenue)	1,293,611	1,291,820	1,791	1,295,867	1,291,820	4,047		1,291,820	(1,291,820)
Entitlement			-	60,970	61,000	(30)		244,000	(244,000)
Health Insurance Mill Levy	9,010	9,010	-	33,920	34,980	(1,060)		107,060	(107,060)
Recovery of Protested Taxes	-	-	-	554	-	554	554	-	554
Department of Defense	40,000	63,373	(23,373)	189,750	253,491	(63,741)		760,473	(760,473)
EDC Reimbursement	49,438	60,542	(11,104)	192,495	209,186	(16,691)		694,595	(694,595)
EPA-Brownfields	-	6,786	(6,786)	78,232	27,143	51,089		47,500	(47,500)
SBA/MT Dept of Commerce	16,087	14,750	1,337	88,380	86,150	2,230		204,150	(204,150)
SBDC Program Income	-	-	-	-	-	-	-	-	-
VBOC	14,205	25,000	(10,795)	75,173	100,000	(24,827)		300,000	(300,000)
Rents/Leases	-	-	-	-	-	-		-	-
Grant Administration	1,290	-	1,290	7,635	-	7,635	7,635	-	7,635
Beartooth RC&D CARES Act	-	-	-	-	-	-		50,000	(50,000)
Other Intergovernmental Revenue	-	-	-	1,667	-	1,667	-	-	-
Contribution Revenue	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	1,000	-	1,000	-	-	-
Total Revenue	1,423,641	1,471,280	(47,639)	2,025,643	2,063,770	(38,127)	8,189	3,699,598	(3,691,409)
Operating Expenses									
Salaries/Wages	131,122	147,402	(16,280)	528,606	557,662	(29,056)	-	1,737,800	(1,737,800)
Employer Contributions	40,996	47,021	(6,025)	166,732	178,107	(11,375)	-	554,949	(554,949)
BID Assessment	-	-	-	-	1,398	(1,398)	-	1,398	(1,398)
Contingency	-	3,087	(3,087)	-	12,347	(12,347)	-	36,969	(36,969)
Community Development Projects	150	-	150	150	-	150	-	45,000	(45,000)
Dues and Subscriptions	986	1,389	(403)	26,645	36,567	(9,921)	-	71,301	(71,301)
Event Expense	-	-	-	-	-	-	-	-	-
Insurance	2,163	2,006	156	12,337	10,625	1,711	-	26,676	(26,676)
Marketing - Departmental	837	2,227	(1,390)	13,189	8,907	4,283	-	26,720	(26,720)
Marketing - Organizational	11,435	3,789	7,646	23,332	15,157	8,176	-	48,211	(48,211)
Office Equipment	777	-	777	1,409	4,500	(3,091)	-	6,500	(6,500)
Office Expense	1,254	1,250	4	5,424	10,860	(5,436)	-	22,360	(22,360)
Professional Fees	10,420	9,744	676	129,583	83,815	45,768	-	131,748	(131,748)
Property Tax Protests	-	-	-	-	-	-	-	38,755	(38,755)
PTAC Subcenter	26,200	40,704	(14,504)	112,876	158,716	(45,840)	-	484,347	(484,347)
Rent	12,580	12,364	216	51,510	50,258	1,252	-	150,434	(150,434)
Repairs	-	-	-	-	-	-	-	-	-
Sponsorships	-	417	(417)	250	1,667	(1,417)	-	5,000	(5,000)
Strategic Priorities	-	2,500	(2,500)	841	10,000	(9,159)	-	30,000	(30,000)
TEDD	-	-	-	100	500	(400)	-	2,000	(2,000)
Telecommunications	2,935	4,948	(2,014)	13,978	19,794	(5,815)	-	59,715	(59,715)
Travel/Training	5,859	11,542	(5,683)	12,847	58,354	(45,507)	-	123,050	(123,050)
Utilities	439	2,957	(2,518)	2,994	12,428	(9,434)	-	40,489	(40,489)
Miscellaneous	1,743	3,609	(1,866)	9,592	13,158	(3,566)	-	43,964	(43,964)
Total Operating Expenses	249,897	296,957	(47,060)	1,112,399	1,244,819	(132,420)	-	3,687,386	(3,687,386)
Net Operating Revenue	1,173,744	1,174,323	(579)	913,244	818,950	94,294	8,189	12,212	(4,023)
Non-Operating Income/Expense									
Interest Income	594	1,349	(756)	2,675	5,398	(2,723)	-	16,193	(16,193)
US EDA Reimbursement	-	138,802	(138,802)	195,961	555,208	(359,248)	-	1,388,020	(1,388,020)
Grant Revenue (GASB 68)	-	-	-	-	-	-	-	-	-
Architectural/Professional Fees	-	-	-	-	-	-	-	-	-
Pension Expense	-	-	-	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-	-	-
Relocation	-	-	-	-	-	-	-	16,000	(16,000)
Total Non-operating Income/Expense	594	140,151	(139,558)	198,635	560,606	(361,970)	-	1,388,213	(1,388,213)
Net Revenue Over (Under) Expense	1,174,338	1,314,475	(140,137)	1,111,879	1,379,556	(267,677)	8,189	1,400,425	(1,392,236)

Big Sky Economic Development Corporation
Financial Report for the Board of Directors
November 19, 2021

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDC as of October 31, 2021. Also included is the statement of revenue and expenses through the first four months of FY22 as compared to budget.

Balance Sheet

Current assets totaled approximately \$2,164,000 at the end of October, a slight increase from \$2,135,000 at the end of September. Accounts receivable increased to a total of \$171,000. Accounts receivable consist of Member Investor pledges for FY21 (\$66,000), and Pledges Receivable for the new building (\$104,000). The RLF portfolio totaled \$249,000, the SSBCI portfolio totaled \$611,000, and the Stabilization Loan portfolio totaled \$81,000 at the end of October.

Accounts payable totaled \$14,000 at the end of October. Deferred 504 revenue remained consistent at \$65,000. 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 October reimbursement.

Statement of Revenue and Expenses

The 504 loan servicing revenue is close to budget and totaled \$139,500 through October. Loan origination revenue is below budget by about \$31,000 through October. Member investor revenue totaled \$61,000 through October. Revenue is below budget based on the timing of the second quarter invoices. Second quarter invoices were sent out in November, increasing member investor revenue to \$97,000 for the fiscal year. Grant administration revenue is \$20,000 below budget. Grant administration revenue will be derived from the administration of the Federal EDA RLF grant. We completed the first EDA RLF loan and grant draw in November and will recognize \$3,400 in grant administration revenue related to this.

We received \$66,000 in additional pledges for the Big Sky to Sky Point Project in October. These amounts are being tracked under the non-operating income/expense section of the income statement. Donation income/pledges for the Big Sky to Sky Point Project total \$85,300 through October.

Most expenses remain under budget. Professional fees are under budget by about \$17,000 due to the timing of budgeted expenses. Travel/training expense are under budget by about \$11,000. Sponsorship expense and event expense are slightly over budget based on timing of budgeted expenses. Sponsorship expense totaled \$6,700 through October and event expense totaled \$18,000.

Through the first four months of FY22, Big Sky EDC recognized net operating revenue of \$8,000 compared to budget of \$13,000. When excluding non-operating revenues/expenses (bad debt expense, Big Sky to Sky Point Pledges, and Coulson Park donations), Big Sky EDC recognized net operating revenues of (\$73,000) compared to budget of \$13,000. This variance is largely attributed to the timing of budget revenue for loan origination revenue, member investor revenue, and grant administration revenue.

Big Sky EDC
Comparative Balance Sheet
As of October 31, 2021 and 2020

	10/31/2021	10/31/2020	+/-	6/30/2021	+/-
Assets					
First Interstate Bank	\$254,406	\$273,298	(\$18,892)	\$353,963	-\$99,557
FIB/Stockman SSBCI Principal	1,151,316	1,050,513	100,803	1,124,775	26,541
FIB-Long Term Reserve	250,000	250,000	-	250,000	-
FIB-Opportunity Fund	22,200	152,357	(130,157)	22,200	-
FIB-RLF	234,434	69,872	164,562	116,034	118,400
Accounts Receivable	171,292	68,810	102,482	66,092	105,200
Contributions Receivable	-	-	-	-	-
Miscellaneous Receivable	121	-	121	60	-
Prepaid Expenses	2,471	8,281	(5,810)	2,471	-
Undeposited Funds	-	-	-	-	-
Stabilization Portfolio - Current	29,184	40,175	(10,991)	43,631	(14,447)
RLF Portfolio-Current	24,767	41,469	(16,702)	58,761	(33,993)
SSBCI Portfolio-Current	23,162	39,552	(16,390)	31,058	(7,896)
Total Current Assets	2,163,355	1,994,328	169,027	2,069,045	94,310
Other Assets					
RLF Portfolio-Non Current	224,484	363,655	(139,171)	307,760	(83,276)
SSCBI Portfolio-Non Current	588,055	601,615	(13,560)	588,055	0
Stabilization Portfolio-Non Current	52,018	84,825	(32,807)	52,018	-
Allowance for Loan Losses	(21,626)	(21,934)	309	(21,626)	-
Total Other Assets	842,931	1,028,160	(185,230)	926,207	(83,276)
Total Assets	3,006,285	3,022,488	(16,203)	2,995,252	11,033
Liabilities & Equity					
Current Liabilities					
Accounts Payable	14,126	20,407	(6,281)	23,118	(8,992)
Property Tax Payable	-	-	-	-	-
Accrued Expenses	-	10,000	(10,000)	-	-
Deferred 504 Revenue	65,249	27,684	37,565	39,674	25,575
Deferred Revenue	-	97,021	(97,021)	-	-
Due to/Due from EDA	49,284	48,380	904	62,431	(13,147)
Total Liabilities	128,659	203,491	(74,833)	125,222	3,436
Current Year Excess of Revenue over Expenses	7,597	79,429	(71,832)	130,462	(122,865)
Balance at Beginning of Year	2,870,030	2,739,567	130,462	2,739,567	130,462
Net Assets	2,877,627	2,818,997	58,630	2,870,030	7,597
Total Liabilities & Equity	3,006,285	3,022,488	(16,203)	2,995,252	11,033

Big Sky EDC
Statements of Operations
For the Periods Ending October 31, 2021

	Month			YTD			Fiscal Year Projection		
	Actual	Budget	Variance	Actual	Budget	Variance	Year-end Projection	Budget	Variance
Operating Revenue									
504 Loan Origination	-	11,250	(11,250)	13,703	45,000	(31,297)	-	135,000	(135,000)
504 Loan Servicing	33,957	36,000	(2,043)	139,434	144,000	(4,566)	-	432,000	(432,000)
Float Income	-	-	-	-	-	-	-	10,000	(10,000)
Member Investment	10,676	65,000	(54,324)	61,185	135,000	(73,815)	-	285,000	(285,000)
RLF Business Loan Interest	1,327	1,750	(423)	6,469	7,000	(531)	-	21,000	(21,000)
RLF Origination Fees	-	-	-	-	-	-	-	-	-
Stabilization Loan Interest	141	68	73	602	310	292	-	634	(634)
SSBCI Revenue	1,157	1,500	(343)	6,259	6,000	259	-	18,000	(18,000)
Recovery of Bad Debt	-	-	-	-	-	-	-	-	-
Grant Administration	-	5,000	(5,000)	-	20,000	(20,000)	-	60,000	(60,000)
Interest Income	2	1,500	(1,498)	6	6,000	(5,994)	-	18,000	(18,000)
Donation Income	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	-	2,843	(2,843)	132	11,371	(11,239)	-	34,112	(34,112)
In-Kind Donations	-	-	-	-	-	-	-	-	-
EDA In-Kind	-	-	-	-	-	-	-	-	-
Total Revenue	47,260	124,911	(77,651)	227,790	374,681	(146,891)	-	1,013,746	(1,013,746)
Operating Expenses									
Business Incubation	-	125	(125)	-	500	(500)	-	1,500	(1,500)
Business Recruitment	-	1,250	(1,250)	158	5,000	(4,842)	-	15,000	(15,000)
Contingency	-	833	(833)	-	3,333	(3,333)	-	10,000	(10,000)
Contract Support	2,000	-	-	14,000	12,000	2,000	-	12,000	(12,000)
Contribution Expense	-	-	-	-	-	-	-	-	-
Dues and Subscriptions	751	6,019	(5,268)	3,892	9,994	(6,102)	-	22,797	(22,797)
EDA Reimbursement	49,438	60,542	(11,104)	192,495	209,186	(16,691)	-	694,595	(694,595)
Event Expense	13,821	10,000	3,821	18,362	10,000	8,362	-	27,000	(27,000)
Insurance	881	881	-	3,524	4,964	(1,440)	-	12,250	(12,250)
Investment in Economic Activity	-	-	-	-	-	-	-	5,000	(5,000)
Marketing - Departmental	3,367	2,458	908	6,017	10,233	(4,216)	-	30,578	(30,578)
Marketing - Organizational	2,131	2,875	(745)	9,927	11,249	(1,322)	-	34,000	(34,000)
Marketing- Trade	1,000	-	-	1,000	-	1,000	-	-	-
Membership Development	152	700	(548)	2,466	2,800	(334)	-	8,400	(8,400)
Office Supplies	25	200	(175)	239	3,800	(3,561)	-	7,850	(7,850)
Professional Fees	5,426	2,458	2,967	17,682	34,033	(16,351)	-	81,400	(81,400)
Postage and Printing	29	70	(41)	77	280	(203)	-	840	(840)
R31 Outreach	-	75	(75)	44	300	(256)	-	2,300	(2,300)
Rent	2,552	2,237	315	9,551	8,947	604	-	27,388	(27,388)
Sponsorships	250	-	250	6,670	-	6,670	-	7,000	(7,000)
Telecommunications	245	605	(360)	1,161	2,419	(1,258)	-	7,256	(7,256)
Travel/Training	2,171	3,650	(1,479)	6,150	17,480	(11,330)	-	42,296	(42,296)
Miscellaneous	2,574	4,803	(2,230)	7,577	15,413	(7,836)	-	48,789	(48,789)
Total Operating Expenses	86,811	99,782	(12,971)	300,992	361,931	(60,939)	-	1,098,239	(1,098,239)
Net Revenue Over (Under) Expense	(39,551)	25,129	(64,680)	(73,203)	12,749	(85,952)	-	(84,493)	84,493
Non-Operating Income/Expense									
Non-Operating Income/Expense									
Coulson Park	-	-	-	-	-	-	-	-	-
BSTSP	66,150	-	66,150	85,300	-	85,300	-	-	-
Bad Debt Expense	-	-	-	4,500	-	4,500	-	12,500	(12,500)
Total Non-operating Income/Expense	66,150	-	66,150	80,800	-	(4,500)	-	-	-
Net Revenue Over (Under) Expense	26,599	25,129	(64,680)	7,597	12,749	(5,152)	-	(84,493)	84,493