

**Big Sky EDA/EDC
Executive Committee
Breakfast with the Ex Director—Hot Topics
August 3, 2022
7:00 AM to 9:00 AM
Double Tree Hotel, Skyview Conference Room
(Breakfast Buffet Provided)**

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, Kim Jakub, Andy Gott, Nick Pancheau, Jen Kobza
EDA—Ken Lutton, Judi Powers, Riley Bennett, Paul Neutgens, Debbie Desjarlais

7:00 A.M.— Call to Order/Breakfast – Ann Kosempa, EDC Chair

7:15 AM – Regular Agenda

A. Approval of EDA/EDC Minutes

- June 3, 2022 Executive Committee Meeting (Attachment A) (Action)
- July 6, 2022 Executive Committee Meeting (Attachment B) (Action)

B. Approval of EDA/EDC Financials--Tyler

- May 2022 EDA and EDC Financials (Attachment C) (Action)
- June 2022 EDA and EDC Financials (Attachment D) (Action)

7:25 AM -- Hot Topics—Executive Director Dialogue

1. Staffing Opportunities and Challenges (Handout) (Info)
2. Board Member Engagement (attendance and participation) (Handout) (Info)
3. Strengthening BSED Awareness--*BSED Impact Tour '22* (October 27th-tentative) (Info)
4. Other “Hot Topics”

8: 45 AM – Special Guests—SBA Region VIII Administrator—Aikta Marcoulier

Senior Advisor SBA Office of Field Operations—Anna Maria Lucas
District Director, MT—Brent Donnelly

9:00 AM – Adjourn— (SBA and BSED Team Dialogue to Follow)

Next Executive Committee Meeting – September 7, 2022 (7:00 A.M. to 9:00 A.M.) Location—BSED Building 201 N Broadway, 2nd Floor-Zoot Training and Event Space). *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**

June 3, 2022 – 11:30 A.M. to 1:00 P.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 – Debbie Desjarlais, Ken Lutton,
 EDC –Ann Kosempa, Jen Kobza, Kim Jakub, Nick Pancheau

Committee Members Absent: EDA – Judi Powers, Paul Neutgens, Riley Bennett
 EDC – Andy Gott

Staff and Others Present: Becky Rogers, Brandon Berger, Dianne Lehm, Heather Kirpach, Johnna Jablonski, Kevin Beagle, Kevin Scharfe, Lorene Hintz, Marcell Bruski, Patrick Klugman, Shanna Zier, Steve Arveschoug, Tereza Brownell, Tyler Price

Call to Order:

Ann Kosempa, EDC Chair, called the meeting to order at 11:34 A.M.

Agenda Changes for Today's Meeting:

The 504 Net Income Reinvestment Plan and a TIF Application approval were added to Section B and D, respectively, and the AEDO Update and Recruitment/ED Policy Recommendations were removed from Section D.

Public Comment/Introductions

Tyler shared with the Committee that BSED received the AEDO accreditation. Steve commended Tyler for his hard work on the AEDO reaccreditation process.

Regular Agenda:

Approval of May 4th Executive Committee Meeting Minutes

Motion: Nick Pancheau to approve the May 4th Executive Committee Meeting Minutes, as presented to the Executive Committee.

Second: Jen Kobza

Discussion: None

Motion: Carried

Approval of April 2022 EDA/EDC Financials – Shanna

On the EDA Balance Sheet, current assets decreased slightly at the end of April. This fluctuation in current assets is attributable to payments for operating expenses, as well as expenses for the BSTSP project. Due To/Due from EDC totaled approximately \$61,500 at the end of April and consists of the April amount due from EDC. Tax levy receivable decreased from \$527,000 in March to \$521,000 in April. Fixed assets continue to increase with the building project at the end of April.

On the Statement of Revenue and Expenses, revenue is slightly under budget through April. Most expenses remain under budget through April, including salaries and wages and travel/training.

On the EDC Balance Sheet, current assets increased slightly at the end of April. Accounts Receivable increased from March. The RLF portfolio totaled \$309,000, the SSBCI portfolio totaled \$845,000, and the Stabilization Loan portfolio totaled \$59,000 and the Federal RLF Portfolio totaled \$199,000 at the end of April.

On the EDC Statement of Revenue and Expenses, the 504-loan servicing revenue is slightly under budget. Loan origination revenue remains below budget, and Member Investor revenues remain slightly under budget due to timing. 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: Nick Pancheau to approve the April 2022, EDA/EDC Financials, as presented to the Executive Committee.
Second: Debbie Desjarlais
Discussion: None
Motion: Carried

FY23 EDA and EDC Proposed Preliminary Budget Review – Shanna

Shanna shared the FY23 EDA and EDC preliminary budget with the Committee. She shared a resource allocation framework and the values that guide our budget priorities. She went over key assumptions and shared a program-specific operating revenue and expense comparison for FY22 to FY23 with the Committee. She noted the incorporation of 3.5% salary increase into the budget. There will not be any additional increase to health insurance and the budget was adjusted accordingly. The occupancy cost for the new building was also reflected in the budget.

Motion: Jen Kobza to approve the FY23, as presented to the Executive Committee.
Second: Nick Pancheau
Discussion: None
Motion: Carried

Big Sky EDC Reinvestment of SBA 504 Program Net Income

Shanna shared a breakdown of the SBA 504 Program Net Income Reinvestment plan for FY23. Brandon shared more details with the Committee.

Motion: Ken Lutton to approve the Reinvestment of SBA 504 Program Net Income, as presented to the Executive Committee.
Second: Jen Kobza
Discussion: None
Motion: Carried

Executive Director Report

Final Draft of Strategic Priorities FY23-24

Steve shared the working draft of Big Sky Economic Development Strategic Priorities for fiscal years 2023 and 2024. The first goal is to drive and innovate diverse local business growth through entrepreneurship, and the second goal is to retain and attract talent and new investment. We would focus on four objectives: (1) build out the Billings entrepreneurship ecosystem to support new, innovative, and diverse business startups, (2) act now to redevelop downtown, building essential workforce housing and connecting/complementing medical corridor investment, (3) invest in the quality of our community through a comprehensive parks and trails development and funding plan, and (4) grow, retain, and attract a qualified workforce. Steve asked that no action be taken on this item as he continued to finalize his draft.

Final Draft Executive Director Focus for FY23

Steve introduced the six areas of the Executive Director Focus for FY23 with the Committee. Steve will focus on: (1) the Rock31/BSED Building Project and Transition, (2) Leading and Empowering Team Development, (3) Executing a Staffing Plan for Value Impact, (4) Seizing Opportunities for Downtown/ Medical Corridor Redevelopment, (5) Building the Awareness, Impact, and Brand of BSED, and (6) Partnership Building.

Motion: Jen Kobza to approve the Final Working Draft Executive Director Focus for FY23, as presented to the Executive Committee.

Second: Debbie Desjarlais

Discussion: None

Motion: Carried

Opportunity Fund Committee Recommendation – Rock31/ BSED Project Funding

Steve shared the outcomes of the Opportunity Fund Committee meeting with the Executive Committee. Specifically, he shared the Committee's recommendations and options to close the building project's funding gap.

Motion: Nick Pancheau to approve the Opportunity Fund Committee Recommendation-Rock31/BSED Project Funding, as presented to the Executive Committee.

Second: Jen Kobza

Discussion: None

Motion: Carried

Staffing Plan Update

Steve shared the staffing plan details with the Committee. He is working with Marcell and Allison on the workplans for Marketing/BillingsWorks and Recruitment, respectively. Additionally, he updated the Committee on the recent openings in Community Development, Business Outreach, and PTAC.

Downtown Housing Working Group Update

Steve updated the Committee on the Downtown Housing Project and reflected on their progress. Steve had two different Developers from out of state interested in our community. There are several parties interested in Downtown housing development. Steve is working with the City on this project. Dianne will share more data with the Committee in June.

TIF Application

The Big Sky Economic Development team submitted a TIF Application with the Downtown Billings Association. Becky shared the details of the TIF application.

Motion: Ken Lutton to approve a submission of a TIF Application, as presented to the Executive Committee.

Second: Jen Kobza

Discussion: None

Motion: Carried

Program Directors' Updates

Operations – Becky

Rock31/BSED Building Project Update

Becky updated the Committee on the construction process. She shared the progress on the Fire Alarm System. Becky anticipates finishing construction in mid-August 2022.

Member Investor Update/Rock31 Capital Campaign – Patrick

Patrick shared his plan how to increase the number of the Member Investors with the Committee. This fiscal year, Member Investor revenue resulting from new or increased contributions is 43,000. Patrick's main focus next month will be continuing conversations to increase a Member Investor revenue. Patrick would like to bring a Member Investor Committee together for a further guidance in his work.

Salary Review Committee Report – Becky/Shanna

Shanna shared the details of FY22 proposed merit payments to the staff. The proposed merit payments were reviewed and approved by the Salary Review Committee. This merit award will be a one-time payment and won't impact the base. It will be paid out in June. Becky recommended to the Committee to enter into an Executive Session to discuss a proposed merit award for the Executive Director.

A motion was made by Jen Kobza to enter into an Executive Session at 1:24pm. Nick Pancheau second the motion and the motion passed. Ann Kosempa ended the executive session at 1:30pm. The Executive Committee reported out that they held a conversation about the one-time merit award for the Executive Director.

Motion: Ann Kosempa to approve the FY22 proposed onetime merit awards as a budget amendment, as presented to the Executive Committee.

Second: Debbie Desjarlais

Discussion: None Motion: Carried

Public Comment:

None

Adjourn:

Ann Kosempa adjourned the meeting at 1:31pm

Next Meeting – July 6, 2022



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT B

**Big Sky EDA/EDC Joint Executive Committee Meeting
Minutes**

July 6, 2022 – 7:00 A.M. to 9:00 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 – Debbie Desjarlais, Judi Powers, Ken Lutton,
EDC – Jen Kobza, Kim Jakub,

Committee Members Absent: EDA – Paul Neutgens, Riley Bennett
EDC – Andy Gott, Ann Kosempa, Nick Pancheau

Staff and Others Present: Brandon Berger, Dianne Lehm, Don Jones, Kayla Vokral, Kevin Scharfe, Lorene Hintz,
Marcell Bruski, Patrick Klugman, Shanna Zier, Steve Arveschoug, Tereza Brownell, Tyler
Price

Call to Order:

Ken Lutton, EDA Chair, called the meeting to order at 7:02 A.M. There was no quorum present. The action items were deferred for a vote to the full Board meeting on July 14.

Agenda Changes for Today's Meeting:

None

Public Comment/Introductions

none

Regular Agenda:

Approval of EDA/EDC Minutes

Approval of June 3rd Executive Committee Meeting Minutes was deferred to the full Board.

Approval of April 2022 EDA/EDC Financials

May 2022 EDA and EDC Financials -Shanna/Tyler

Tyler presented the May 2022 EDA and EDC Financials to the Committee. On the EDA Balance Sheet, current assets increased slightly at the end of May. The receivable consists of U.S. EDA, VBOC, PTAC and SBDC. Due To/Due from EDC totaled approximately \$59,400 at the end of May and consists of the May amount due from EDC. Tax levy receivable decreased from \$521,000 in April to \$59,600 in May. Fixed assets continue to increase with the building project at the end of May.

On the Statement of Revenue and Expenses, revenue is slightly under budget through May. Most expenses remain under budget through May, including salaries and wages and travel/training.

On the EDC Balance Sheet, current assets increased slightly at the end of May. Accounts Receivable increased from April. The RLF portfolio totaled \$305,000, the SSBCI portfolio totaled \$841,000, and the Stabilization Loan portfolio totaled \$56,000 and the Federal RLF Portfolio totaled \$198,000 at the end of May.

On the EDC Statement of Revenue and Expenses, the 504-loan servicing revenue is slightly under budget. Loan origination revenue remains below budget, and Member Investor revenues remain slightly under budget due to timing. 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.

Approval of the May 2022 EDA/EDC Financials was deferred to full Board meeting on July 14.

Transition Plan for Controller Position

Shanna updated the Committee with a transition plan for the Controller position. Tyler will be taking on an interim role with the financial management. Shanna feels very comfortable with Tyler's ability to do the work accurately and well.

Executive Director Report:

Metra Park Update – Commissioner Don Jones

Ken introduced Commissioner Jones to the Committee. Steve asked the Commissioner to update the Committee on the MetraPark project. Commissioner Jones shared the details of the project. Commissioner Jones strongly believes that private management would be key to moving forward with MetraPark. He shared the vision and obstacles of the project with the Committee. Steve thanked Commissioner Jones for the update and stressed the importance of MetraPark within our community.

Review AEDO Recommendations

Steve shared the AEDO report review with the Committee. Steve highlighted a few key points from the report regarding Asset Development, Organizational Structure, and Workforce and Talent Development.

Staffing Plan Update

Steve shared the details of a Staffing Plan he discussed with the Leadership Team. Steve shared that Tyler will fulfill an interim role as Shanna leaves. Shanna has offered to stay connected during this time to help with that transition. Steve updated the Committee on the PTAC network staffing across the state. He shared the details of a potential new hire for the Bozeman/Butte/Helena PTAC region. Steve mentioned that BSED finished the hiring process for the Billings PTAC Advisor position and announced that Tereza Brownell will be moving into the PTAC Advisor position. Steve also shared strategic staffing decisions made for the Recruitment, Small Business Development Center and Community Development programs.

Downtown Housing Working Group Update

Steve updated the Committee on the Downtown Housing Project and reflected on their progress. Steve met with two different Developers. There are several parties interested in Downtown housing development. Jay Fisher is coming back to town to look at more opportunities. Steve met with Landmark Development and Billings Clinic to discuss possible development opportunities. Steve will share a concept regarding market opportunities at the August Breakfast.

August Executive Committee Meeting – Breakfast with the Executive Director –“Hot Topics”

Steve invited the Committee to the August breakfast and shared the meeting details.

Program Action Items/ Reports:

Operations – Steve

Rock31/BSED Building Project Update

Steve updated the Committee on the three grant applications submitted and share details about each grant. Steve asked the Committee to come to the City Council meeting on July 25th to support the Façade Grant Application. Steve also shared with the Committee that we are also pursuing a Montana Historic Preservation grant. Steve shared the exciting news that Cushion Terrell has pledged an additional contribution to the project, which helps ease some of the budgeting gap. Steve updated the Committee on the moving process. The moving will start beginning of August and we intent to occupy on August 15th. Patrick continues turning additional contributions. The total amount is close \$268,000.

SBDC Program Update – Lorene/Kayla

Lorene and Kayla updated the Committee on the Red Lodge flooding disaster. Lorene shared how businesses were impacted by the flood. The business's biggest concern is not getting a loan but securing workforce and getting help promoting their business to customers. The biggest need right now is money, employees, and housing. Lorene

shared the upcoming SBA loan opportunities. Kayla shared the SBDC marketing strategy to help businesses in the affected areas. Lorene updated the Committee on the SBDC's progress, and Kayla shared upcoming workshops and events. SBDC will host an Expert Week in October. Lorene closed by sharing a success story with a new business called FRAE.

Member Investor Update/Rock31 Capital Campaign – Patrick

Patrick updated the Committee on the Member Investor Program. Patrick will host a Member Investor lunch on July 26th. The Member Investor Committee will meet in August. Patrick has been working hard on increasing the membership levels. Eleven businesses increased their membership contribution last month. The net revenue increased \$6000 since last month. Patrick's main focus for next month will be continuing conversations to increase a number of Member Investors to get closer to the 160 Members.

Community Development – TED Update- Dianne/Thom

Thom updated the Committee on the TEDD program. Thom shared the history of the TEDD and the main focus of the program. The current focus is to bring infrastructure into the area and shared project details. The biggest obstacle is securing funding. Thom shared potential options with the Committee.

Consideration of Executive Session

None

Public Comment:

None

Adjourn:

Ken Lutton adjourned the meeting at 9:01am.

Next Meeting – Aug 6, 2022



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT C

Big Sky Economic Development Authority
Financial Report for Board of Directors
June 29, 2022

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDA as of May 31, 2022. Also included is the statement of revenue and expenses through eleven months of FY22 as compared to budget.

Balance Sheet

Current assets increased to about \$4,633,000 at the end of May from \$4,421,000 at the end of April. Accounts receivable decreased slightly from \$486,000 in April to \$484,000. The receivable consists of U.S. EDA (\$194,000), VBOC (\$149,000), PTAC (\$105,000), and SBDC (\$36,000).

Due To/Due From EDC totaled approximately \$59,400 at the end of May and consists of the May amount due from EDC. Tax levy receivable decreased from \$521,000 in April to \$59,600 in May. Protested tax receivable totaled \$20,675 and an allowance totaling \$20,675, or 100% of protested tax levy receivable is reflected to allow for potentially uncollectible protested tax levy. In April, the final payment for the TEDD receivable was received. Fixed assets continue to increase with the building project and totaled \$5,227,000 at the end of May.

Accounts payable totaled \$161,500 at the end of May. Accrued expenses total approximately \$104,000 and consist largely of salary/benefits accruals (\$77,000) and Space2Place Grant accruals. Space2Place grant awards for FY22 totaled \$21,000. These grant accruals were recorded in April and will be paid out as projects are completed. 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 \$105,000 under budget through eleven months of the fiscal year. Department of Defense (PTAC) is about \$156,000 under budget and VBOC revenue is about \$27,000 under budget based on actual expenses incurred through May. EDC reimbursement is about \$67,000 under budget due to vacancy savings and therefore less reimbursement from the EDC to EDA. EPA-Brownfields revenue is about \$66,000 over budget based on timing of expenses associated with this grant.

Most expenses remain under budget through May. Salaries/wages and employer contributions are under budget by about \$128,000 due to vacancy savings. Travel/training is under budget by about \$58,000 through May. Marketing expenses remain over budget due to website updates. Professional fees total \$193,000 and are over budget by about \$70,000 largely based on expenses related to Brownfields. Brownfields expenses totaled about \$113,000 through May. These expenses are 100% reimbursable. In April, a check was cut for the \$250,000 Opportunity Fund commitment to Coca Cola. This amount is being tracked under contribution expense in the non-operating income/expense portion of the statement.

Through eleven months of FY22, Big Sky EDA recognized net operating revenue of \$1,373,500 compared to budget of \$1,450,500. 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 \$246,000 compared to budget of \$64,000.

Big Sky EDA
Comparative Balance Sheet
As of May 31, 2022 and 2021

	5/31/2022	5/31/2021	+/-	6/30/2021	+/-
Assets					
First Interstate Bank	\$232,335	\$206,855	\$25,479	\$229,874	\$2,460
FIB-Recovered Property Taxes	150,626	177,795	(27,169)	177,795	(27,169)
FIB-Operating Reserve	251,068	301,041	(49,973)	301,044	(49,976)
Opportunity Fund-FIB	101,906	319,788	(217,882)	940,395	(838,489)
Opportunity Fund-Stockman	85,493	64,994	20,499	64,997	20,497
Opportunity Fund-Opportunity Bank	628,111	624,698	3,413	625,004	3,107
Stockman GE Maintenance	15,128	15,128	-	15,128	-
Rocky Mountain Bank Money Market	43,303	493,246	(449,943)	493,262	(449,959)
Valley Federal- Savings	25	-	25	-	25
Valley Federal- Money Market	300,660	-	300,660	-	300,660
Opportunity Fund - CDs (current)	2,225,441	2,404,860	(179,419)	3,309,497	(1,084,056)
Altana Savings	25	25	-	25	-
Yellowstone County Funds	599,069	573,254	25,815	570,859	28,210
Total Current Assets	4,633,189	5,181,683	(548,494)	6,727,879	(2,094,690)
Other Assets					
Accounts Receivable	483,964	285,168	198,796	141,814	342,150
Grants Receivable	50,000	100,000	(50,000)	100,000	(50,000)
American Revenue Guarantee	6,887	6,887	-	6,887	-
Due To/Due From EDC	59,402	53,416	5,986	62,431	(3,029)
Tax Levy Receivable	59,633	63,355	(3,722)	17,649	41,984
Tax Levy Receivable - Protested	20,675	6,585	14,090	665	20,010
Allowance for Doubtful Accounts	(20,675)	(6,585)	(14,090)	(665)	(20,010)
Prepaid Expenses	14,803	20,207	(5,404)	30,393	(15,589)
Deposit	5,181	-	5,181	-	5,181
Total Other Assets	679,871	529,034	150,837	359,174	320,697
Non-Current Assets					
Opportunity Fund - CDs (non-current)	150,952	1,654,256	(1,503,304)	150,388	564
TEDD Receivable	-	13,650	(13,650)	13,650	(13,650)
Cabela's Conduit	4,984	4,984	0	4,984	0
Deferred Outflow of Resources	249,285	146,350	102,935	249,285	-
Total Non-Current Assets	405,221	1,819,239	(1,414,018)	418,307	(13,085)
Fixed Assets					
Construction in Progress	3,499,091	267,458	3,231,633	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)	(42,564)	(4,656)	(47,220)	-
Total Fixed Assets	5,226,871	1,999,893	3,226,977	2,003,407	-
Total Assets	10,945,152	9,529,850	1,415,302	9,508,766	1,436,386
Liabilities & Equity					
Current Liabilities					
Accounts Payable	161,578	73,801	87,777	80,102	81,476
Accrued Expenses	103,929	98,431	5,498	99,860	4,069
Deferred Revenue	50,000	53,333	(3,333)	51,667	-
Payroll Liabilities	969	(443)	1,412	(590)	1,559
Compensated Absences	161,464	149,403	12,061	184,483	(23,019)
Total Current Liabilities	477,940	374,526	103,414	415,522	62,418
Long Term Liabilities					
Deferred Inflow of 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	1,373,589	641,404	732,185	312,919	1,060,670
Balance at Beginning of Year	7,933,856	7,620,559	313,297	7,620,559	313,297
Net Assets	9,307,445	8,261,963	1,045,482	7,933,478	1,373,967
Total Liabilities & Equity	10,945,152	9,529,850	1,415,302	9,508,766	1,436,386

Big Sky EDA
Statements of Operations
For the Periods Ending May 31, 2022

	Month			YTD			Fiscal Year Projection		
	Actual	Budget	Variance	Actual	Budget	Variance	Year-end Projection	Budget	Variance
Operating Revenue									
County Taxes (Mill Levy Revenue)	20,481	-	20,481	1,321,627	1,291,820	29,807	1,321,627	1,291,820	29,807
Entitlement	-	-	-	182,909	183,000	(91)	243,878	244,000	(122)
Health Insurance Mill Levy	7,950	9,010	(1,060)	94,870	98,050	(3,180)	102,290	107,060	(4,770)
Recovery of Protested Taxes	-	-	-	5,719	-	5,719	5,719	-	5,719
BillingsWorks	1,525	-	1,525	1,525	-	1,525	1,525	-	1,525
Department of Defense	45,000	63,373	(18,373)	540,998	697,100	(156,102)	585,998	760,473	(174,475)
EDC Reimbursement	58,958	60,542	(1,583)	566,894	633,840	(66,946)	624,894	694,595	(69,701)
EPA-Brownfields	288	-	288	113,680	47,500	66,180	114,525	47,500	67,025
SBA/MT Dept of Commerce	19,754	14,750	5,004	196,187	189,400	6,787	209,729	204,150	5,579
SBDC Program Income	-	-	-	3,350	-	3,350	3,350	-	3,350
VBOC	25,608	25,000	608	247,747	275,000	(27,253)	270,747	300,000	(29,253)
Rents/Leases	-	-	-	-	-	-	-	-	-
Grant Administration	-	-	-	15,794	-	15,794	15,794	-	15,794
Beartooth RC&D CARES Act	-	-	-	-	-	-	50,000	50,000	-
Other Intergovernmental Revenue	-	-	-	6,667	-	6,667	6,667	-	6,667
Miscellaneous Revenue	700	-	700	12,222	-	12,222	12,222	-	12,222
Total Revenue	180,264	172,675	7,590	3,310,189	3,415,710	(105,521)	3,568,966	3,699,598	(130,632)
Operating Expenses									
Salaries/Wages	134,991	147,402	(12,412)	1,496,304	1,590,216	(93,911)	1,661,430	1,737,800	(76,370)
Employer Contributions	43,148	47,021	(3,873)	474,800	508,880	(34,080)	551,425	554,949	(3,524)
BID Assessment	-	-	-	-	1,398	(1,398)	-	1,398	(1,398)
Contingency	-	3,087	(3,087)	-	33,954	(33,954)	-	36,969	(36,969)
Community Development Projects	18	5,000	(4,982)	21,711	10,000	11,711	36,711	45,000	(8,289)
Dues and Subscriptions	13,001	4,277	8,723	81,711	69,404	12,307	84,711	71,301	13,410
Event Expense	801	-	801	2,739	-	2,739	2,739	-	2,739
Insurance	2,439	2,006	433	27,235	24,670	2,566	29,995	26,676	3,319
Marketing - Departmental	3,857	2,227	1,630	27,790	24,493	3,297	31,290	26,720	4,570
Marketing - Organizational	13,850	3,789	10,061	66,913	41,681	25,232	71,913	48,211	23,702
Office Equipment	3,572	-	3,572	18,324	6,500	11,824	27,429	6,500	20,929
Office Expense	1,404	1,750	(346)	16,968	20,610	(3,642)	18,903	22,360	(3,457)
Professional Fees	6,879	1,121	5,758	193,233	122,021	71,212	197,248	131,748	65,500
Property Tax Protests	612	-	612	25,729	38,755	(13,026)	25,729	38,755	(13,026)
Property Taxes	1,621	-	1,621	2,809	-	2,809	2,809	-	2,809
PTAC Subcenter	30,372	40,704	(10,332)	333,497	443,643	(110,147)	367,497	484,347	(116,851)
Rent	12,107	12,374	(267)	138,060	137,659	401	150,115	150,434	(319)
Repairs	1,450	-	1,450	1,450	-	1,450	1,450	-	1,450
Sponsorships	600	417	183	3,380	4,583	(1,203)	3,380	5,000	(1,620)
Strategic Priorities	-	2,500	(2,500)	841	27,500	(26,659)	841	30,000	(29,159)
TEDD	-	-	-	312	1,500	(1,188)	1,000	2,000	(1,000)
Telecommunications	3,440	5,004	(1,564)	36,828	54,711	(17,883)	40,047	59,715	(19,668)
Travel/Training	7,743	7,709	34	54,081	111,664	(57,583)	59,081	123,050	(63,969)
Utilities	829	3,257	(2,428)	11,810	37,232	(25,423)	13,310	40,489	(27,180)
Workforce Development	-	-	-	1,300	-	1,300	1,300	-	1,300
Miscellaneous	3,256	3,461	(204)	26,537	40,920	(14,382)	28,037	43,964	(15,926)
Total Operating Expenses	285,989	293,107	(7,118)	3,064,363	3,351,995	(287,631)	3,408,390	3,687,386	(280,295)
Net Operating Revenue	(105,724)	(120,432)	14,708	245,826	63,716	182,110	160,575	12,212	149,663
Non-Operating Income/Expense									
Interest Income	487	1,349	(862)	21,421	14,844	6,578	31,421	16,193	15,228
US EDA Reimbursement	192,661	-	192,661	1,199,338	1,388,020	(188,682)	1,499,338	1,388,020	111,318
DEQ Asbestos Abatement Grant	30,000	-	30,000	30,000	-	30,000	30,000	-	30,000
Grant Revenue (GASB 68)	-	-	-	-	-	-	-	-	-
Contribution Revenue	25,100	-	25,100	121,554	-	121,554	537,514	-	537,514
Capital Campaign	1,450	-	1,450	5,450	-	5,450	5,450	-	5,450
Contribution Expense	-	-	-	250,000	-	250,000	250,000	-	250,000
Relocation	-	-	-	-	16,000	-	16,000	16,000	-
Total Non-operating Income/Expense	249,698	1,349	218,349	1,127,763	1,386,864	(305,101)	1,807,723	1,388,213	419,510
Net Revenue Over (Under) Expense	143,974	(119,083)	233,056	1,373,589	1,450,579	(122,991)	1,968,298	1,400,425	569,173

Big Sky Economic Development Corporation
Financial Report for the Board of Directors
June 29, 2022

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDC as of May 31, 2022. Also included is the statement of revenue and expenses through eleven months of FY22 as compared to budget.

Balance Sheet

Current assets totaled approximately \$2,635,000 at the end of May. Accounts receivable increased to \$438,000 from \$231,000 in April. Accounts receivable consist of Member Investor pledges for FY21 (\$3,500), Member Investor pledges for FY22 (\$88,500), Capital Campaign pledges for the new building (\$89,000), and the amount due from the Federal EDA for loans funded in May through the RLF grant (\$257,000). The RLF portfolio totaled \$305,000, the SSBCI portfolio totaled \$841,000, the Stabilization Loan portfolio totaled \$56,000, and the Federal EDA RLF portfolio totaled \$198,000.

Accounts payable totaled \$15,000 at the end of May. Deferred 504 Revenue remained stable at \$28,000 in May. Due to/Due from EDA totaled approximately \$59,000 and represents the amount owed to EDA from EDC for May reimbursement.

Statement of Revenue and Expenses

Loan origination revenue totaled \$81,000 through May and remains below budget by about \$43,000. The 504 loan servicing revenue remains slightly below budget and totaled \$363,000 through May. Member investor revenue totaled \$259,000 through May. Member investor revenue remains below budget based on the timing of invoicing. An additional \$14,000 in member investor invoices were sent out in June, increasing total member investor revenue to \$269,000. Grant administration revenue is roughly \$43,000 below budget. Grant administration revenue will be derived from the administration of the Federal EDA RLF grant.

The Federal EDA RLF loans that funded in May resulted in \$257,000 in income related to the grant for the loan funds received. The grant funds received related to the EDA RLF loan are being tracked under the non-operating income/expense section of the income statement. We received an additional \$2,800 in pledges for the Big Sky to Sky Point Project in May. Donation income/pledges for the Big Sky to Sky Point Project total approximately \$176,000 through April.

Most expenses remain under budget. EDA Reimbursement is under budget by about \$67,000 due to vacancy savings. Travel/training expense are under budget by about \$12,000. Event expense totaled \$26,000 and is slightly over budget based on timing of budgeted expenses.

Through eleven months of FY22, Big Sky EDC recognized net operating revenue of \$485,000 compared to budget of (\$56,000). When excluding non-operating revenues/expenses (Big Sky to Sky Point Pledges, Coulson Park donations, Federal EDA RLF Grant, and bad debt expense), Big Sky EDC recognized net operating revenues of (\$16,000) compared to budget of (\$56,000).

Big Sky EDC
Comparative Balance Sheet
As of May 31, 2022 and 2021

	5/31/2022	5/31/2021	+/-	6/30/2021	+/-
Assets					
First Interstate Bank	\$392,095	\$342,352	\$49,743	\$353,963	\$38,132
FIB/Stockman SSBCI Principal	766,141	1,113,638	(347,497)	1,124,775	(358,634)
FIB-Long Term Reserve	250,000	250,000	-	250,000	-
FIB-Opportunity Fund	60,896	22,200	38,696	22,200	38,696
FIB-RLF	190,200	104,494	85,706	116,034	74,166
Accounts Receivable	437,762	126,250	311,512	66,092	371,670
Contributions Receivable	-	-	-	-	-
Miscellaneous Receivable	-	-	-	60	(60)
Prepaid Expenses	2,545	7,471	(4,926)	2,471	74
Undeposited Funds	-	-	-	-	-
Federal EDA RLF Portfolio-Current	197,549	-	197,549	-	197,549
RLF Portfolio-Current	80,966	7,751	73,215	58,761	22,205
Stabilization Portfolio - Current	3,669	25,988	(22,318)	43,631	(39,962)
SSBCI Portfolio-Current	253,436	18,752	234,684	31,058	222,378
Total Current Assets	2,635,259	2,018,895	616,364	2,069,045	566,214
Other Assets					
RLF Portfolio-Non Current	224,484	363,655	(139,171)	307,760	(83,276)
SSCBI Portfolio-Non Current	588,055	601,210	(13,155)	588,055	0
Stabilization Portfolio-Non Current	52,018	73,258	(21,240)	52,018	-
Allowance for Loan Losses	(21,626)	(21,934)	309	(21,626)	-
Total Other Assets	842,931	1,016,189	(173,258)	926,207	(83,276)
Total Assets	3,478,190	3,035,084	443,106	2,995,252	482,938
Liabilities & Equity					
Current Liabilities					
Accounts Payable	15,171	6,145	9,025	23,118	(7,947)
Property Tax Payable	-	-	-	-	-
Accrued Expenses	20,044	2,500	17,544	-	20,044
Deferred 504 Revenue	28,194	34,112	(5,919)	39,674	(11,480)
Deferred Revenue	-	-	-	-	-
Due to/Due from EDA	59,342	53,416	5,926	62,431	(3,089)
Total Liabilities	122,750	96,174	26,576	125,222	(2,472)
Current Year Excess of Revenue over Expenses	485,410	199,343	286,068	130,462	354,948
Balance at Beginning of Year	2,870,030	2,739,567	130,462	2,739,567	130,462
Net Assets	3,355,440	2,938,910	416,530	2,870,030	485,410
Total Liabilities & Equity	3,478,190	3,035,084	443,106	2,995,252	482,938

Big Sky EDC
Statements of Operations
For the Periods Ending May 31, 2022

	Month			YTD			Fiscal Year Projection		
	Actual	Budget	Variance	Actual	Budget	Variance	Year-end Projection	Budget	Variance
Operating Revenue									
504 Loan Origination	18,100	11,250	6,850	80,932	123,750	(42,818)	111,111	135,000	(23,889)
504 Loan Servicing	31,463	36,000	(4,537)	363,384	396,000	(32,616)	395,123	432,000	(36,877)
Float Income	17,606	5,000	12,606	31,630	10,000	21,630	31,630	10,000	21,630
Member Investment	78,285	-	78,285	258,828	265,000	(6,172)	272,828	285,000	(12,172)
RLF Business Loan Interest	1,429	1,750	(321)	15,579	19,250	(3,671)	16,979	21,000	(4,021)
RLF Origination Fees	-	-	-	1,000	-	1,000	1,000	-	1,000
Stabilization Loan Interest	99	25	74	1,422	615	807	1,512	634	878
SSBCI Revenue	5,588	1,500	4,088	21,351	16,500	4,851	22,931	18,000	4,931
Grant Administration	1,320	5,000	(3,680)	11,849	55,000	(43,151)	11,849	60,000	(48,151)
Interest Income	270	1,500	(1,231)	1,367	16,500	(15,133)	1,890	18,000	(16,110)
Donation Income	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	-	2,843	(2,843)	42,478	31,270	11,208	56,304	34,112	22,192
Total Revenue	154,160	64,868	89,292	829,819	933,885	(104,066)	923,157	1,013,746	(90,590)
Operating Expenses									
Business Incubation	-	125	(125)	-	1,375	(1,375)	-	1,500	(1,500)
Business Recruitment	188	1,250	(1,062)	346	13,750	(13,404)	596	15,000	(14,404)
Contingency	-	833	(833)	-	9,167	(9,167)	-	10,000	(10,000)
Contract Support	-	-	-	19,000	12,000	7,000	19,000	12,000	7,000
Dues and Subscriptions	3,274	379	2,895	21,067	22,418	(1,351)	21,667	22,797	(1,130)
EDA Reimbursement	58,958	60,542	(1,583)	566,894	633,840	(66,946)	624,894	694,595	(69,701)
Event Expense	656	1,000	(344)	25,871	27,000	(1,129)	25,871	27,000	(1,129)
Insurance	881	921	(40)	11,321	11,329	(8)	12,207	12,250	(43)
Investment in Economic Activity	-	-	-	-	-	-	-	5,000	(5,000)
Marketing - Departmental	4,673	2,458	2,215	19,343	28,120	(8,776)	26,578	30,578	(4,000)
Marketing - Organizational	333	2,774	(2,441)	16,231	31,226	(14,995)	20,231	34,000	(13,769)
Marketing- Trade	-	-	-	1,000	-	1,000	1,000	-	1,000
Membership Development	-	700	(700)	3,135	7,700	(4,565)	5,400	8,400	(3,000)
Office Supplies	47	200	(153)	986	7,650	(6,664)	2,986	7,850	(4,864)
Professional Fees	5,940	2,458	3,482	54,793	58,942	(4,149)	72,401	81,400	(9,000)
Postage and Printing	31	70	(39)	984	770	214	1,084	840	244
R31 Outreach	22	117	(95)	126	2,185	(2,059)	151	2,300	(2,149)
Rent	3,314	2,301	1,013	28,363	25,087	3,276	31,207	27,388	3,819
Sponsorships	-	-	-	6,670	5,000	1,670	7,170	7,000	170
Telecommunications	536	605	(69)	4,998	6,652	(1,653)	5,783	7,256	(1,473)
Travel/Training	5,769	2,150	3,619	28,080	39,753	(11,673)	36,980	42,296	(5,316)
Miscellaneous	5,392	2,903	2,489	36,386	45,886	(9,500)	39,386	48,789	(9,403)
Total Operating Expenses	90,014	81,786	8,227	845,594	989,849	(144,255)	954,590	1,098,239	(143,648)
Net Revenue Over (Under) Expense	64,146	(16,919)	81,065	(15,775)	(55,964)	40,189	(31,434)	(84,493)	53,059
Non-Operating Income/Expense									
Non-Operating Income/Expense									
Coulson Park	-	-	-	25,000	-	25,000	25,000	-	25,000
BSTSP	2,800	-	2,800	176,414	-	176,414	177,514	-	177,514
Federal EDA RLF	257,242	-	257,242	437,325	-	437,325	437,325	-	437,325
Contribution Expense	25,100	-	25,100	121,554	-	121,554	537,514	-	537,514
Bad Debt Expense	-	-	-	16,000	-	16,000	17,000	-	17,000
Total Non-operating Income/Expense	234,942	-	260,042	501,185	-	622,740	85,325	-	85,325
Net Revenue Over (Under) Expense	299,088	(16,919)	341,106	485,410	(55,964)	541,374	53,891	(84,493)	138,384



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT D

Big Sky Economic Development Authority
Financial Report for Board of Directors
July 28, 2022

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDA as of June 30, 2022. Also included is the statement of revenue and expenses for FY22 as compared to budget.

Balance Sheet

Current assets decreased to about \$4,375,000 at the end of June from \$4,633,000 at the end of May. This decrease is largely attributable to reconciling the current and non-current portions of the Opportunity Fund CDs at the end of the fiscal year. Accounts receivable increased from \$484,000 in May to \$586,000. The receivable consists of U.S. EDA (\$379,000), VBOC (\$81,000), PTAC (\$105,000), SBDC (\$20,000), and Brownfields (\$1,000).

Due To/Due From EDC totaled approximately \$59,200 at the end of June and consists of the June amount due from EDC. Tax levy receivable decreased from \$59,600 in May to \$19,300 in June. Protested tax receivable totaled \$1,280 and an allowance totaling \$1,280, or 100% of protested tax levy receivable is reflected to allow for potentially uncollectible protested tax levy. Fixed assets continue to increase with the building project and totaled \$5,700,000 at the end of June.

Accounts payable totaled \$421,000 at the end of June. Accrued expenses total approximately \$109,000 and consist largely of salary/benefits accruals (\$82,500) and Space2Place Grant accruals. Space2Place grant awards for FY22 totaled \$21,000. These grant accruals were recorded in April and will be paid out as projects are completed.

Statement of Revenue and Expenses

Revenue was about \$88,000 under budget for the fiscal year. Department of Defense (PTAC) was about \$160,000 under budget and VBOC revenue was about \$27,000 under budget based on actual expenses incurred through June. EDC reimbursement was about \$69,000 under budget due to vacancy savings and therefore less reimbursement from the EDC to EDA. EPA-Brownfields revenue was about \$68,000 over budget based on timing of expenses associated with this grant.

Most expenses remained under budget throughout the fiscal year. Salaries/wages and employer contributions were under budget by about \$90,500 due to vacancy savings. Travel/training was under budget by about \$54,000. Marketing expenses finished the year over budget due to website updates. Professional fees totaled \$197,000 and are over budget by about \$65,000, largely based on expenses related to Brownfields. Brownfields expenses totaled about \$114,000. These expenses are 100% reimbursable.

In June, the EDA recognized contribution revenue of \$410,000, which is being tracked in the non-operating section. This resulted from a transfer from the EDC to the EDA of FY21 Net Operating Income (\$50,000) and SSBCI funds (\$360,000) for the completion of the building project.

For FY22, Big Sky EDA recognized net operating revenue of \$2,018,000 compared to budget of \$1,400,000. 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 \$205,000 compared to budget of \$12,000.

Big Sky EDA
Comparative Balance Sheet
As of June 30, 2022 and 2021

	6/30/2022	6/30/2021	+/-
Assets			
First Interstate Bank	\$295,108	\$229,874	\$65,233
FIB-Recovered Property Taxes	150,626	177,795	(27,169)
FIB-Operating Reserve	251,070	301,044	(49,974)
Opportunity Fund-FIB	286,727	940,395	(653,668)
Opportunity Fund-Stockman	85,501	64,997	20,504
Opportunity Fund-Opportunity Bank	628,390	625,004	3,386
Stockman GE Maintenance	15,128	15,128	-
Rocky Mountain Bank Money Market	43,298	493,262	(449,964)
Valley Federal- Savings	25	-	25
Valley Federal- Money Market	300,810	-	300,810
Opportunity Fund - CDs (current)	1,734,416	3,309,497	(1,575,082)
Altana Savings	25	25	-
Yellowstone County Funds	584,364	570,859	13,505
Total Current Assets	4,375,487	6,727,879	(2,352,392)
Other Assets			
Accounts Receivable	586,385	141,814	444,571
Grants Receivable	50,000	100,000	(50,000)
American Revenue Guarantee	6,887	6,887	-
Due To/Due From EDC	59,230	62,431	(3,201)
Tax Levy Receivable	19,305	17,649	1,656
Tax Levy Receivable - Protested	1,280	665	615
Allowance for Doubtful Accounts	(1,280)	(665)	(615)
Prepaid Expenses	24,420	30,393	(5,972)
Deposit	5,181	-	5,181
Right of Use Asset	7,991	-	7,991
Total Other Assets	759,400	359,174	400,226
Non-Current Assets			
Opportunity Fund - CDs (non-current)	642,380	150,767	491,614
TEDD Receivable	-	13,650	(13,650)
Cabela's Conduit	4,984	4,984	0
Deferred Outflow of Resources	129,336	249,285	(119,948)
Total Non-Current Assets	776,701	418,685	358,016
Fixed Assets			
Construction in Progress	3,966,671	275,627	3,691,044
Barista Space Equipment	12,000	-	12,000
Bank Building - Land	301,750	301,750	-
Bank Building - Building	1,473,250	1,473,250	-
Accumulated Depreciation	(47,220)	(47,220)	-
Total Fixed Assets	5,706,451	2,003,407	3,703,044
Total Assets	11,618,038	9,509,145	2,108,893
Liabilities & Equity			
Current Liabilities			
Accounts Payable	421,006	80,102	340,904
Accrued Expenses	109,149	99,860	9,289
Deferred Revenue	-	51,667	-
Payroll Liabilities	151	(590)	741
Compensated Absences	177,593	184,483	(6,891)
Total Current Liabilities	707,898	415,522	292,377
Long Term Liabilities			
Deferred Inflow of Resources	386,724	32,238	354,486
Lease Liability	7,991	-	7,991
Pension Liability	563,223	1,127,529	(564,306)
Total Long Term Liabilities	957,938	1,159,767	(201,829)
Current Year Excess of Revenue over Expenses	2,018,345	313,297	1,705,048
Balance at Beginning of Year	7,933,856	7,620,559	313,297
Net Assets	9,952,201	7,933,856	2,018,345
Total Liabilities & Equity	11,618,038	9,509,145	2,108,893

Big Sky EDA
Statements of Operations
For the Periods Ending June 30, 2022

	Month			YTD			Previous Year Comparison		
	Actual	Budget	Variance	Actual	Budget	Variance	FY22	FY21	Variance
Operating Revenue									
County Taxes (Mill Levy Revenue)	(344)	-	(344)	1,321,283	1,291,820	29,463	1,321,283	1,253,868	67,414
Entitlement	63,828	61,000	2,828	246,737	244,000	2,737	246,737	239,329	7,408
Health Insurance Mill Levy	7,420	9,010	(1,590)	102,290	107,060	(4,770)	102,290	98,580	3,710
Recovery of Protested Taxes	19,394	-	19,394	25,114	-	25,114	25,114	29,602	(4,488)
Billings/Works	-	-	-	1,525	-	1,525	1,525	-	1,525
Department of Defense	46,199	63,373	(17,174)	600,671	760,473	(159,802)	600,671	501,415	99,256
EDC Reimbursement	58,348	60,755	(2,407)	625,242	694,595	(69,353)	625,242	570,051	55,192
EPA-Brownfields	1,424	-	1,424	115,103	47,500	67,603	115,103	59,288	55,815
SBA/MT Dept of Commerce	16,359	14,750	1,609	212,130	204,150	7,980	212,130	308,680	(96,550)
SBDC Program Income	-	-	-	3,350	-	3,350	3,350	-	3,350
VBOC	25,543	25,000	543	273,290	300,000	(26,710)	273,290	248,904	24,386
Rents/Leases	-	-	-	-	-	-	-	5,736	(5,736)
Grant Administration	195	-	195	15,989	-	15,989	15,989	27,673	(11,683)
Beartooth RC&D CARES Act	50,000	50,000	-	50,000	50,000	-	50,000	150,000	(100,000)
Other Intergovernmental Revenue	-	-	-	6,667	-	6,667	6,667	19,931	(13,265)
Miscellaneous Revenue	(471)	-	(471)	12,167	-	12,167	12,167	10,707	1,461
Total Revenue	287,895	283,888	4,007	3,611,558	3,699,598	(88,040)	3,611,558	3,523,763	87,795
Operating Expenses									
Salaries/Wages	169,766	147,585	22,181	1,666,070	1,737,800	(71,730)	1,666,070	1,537,402	128,668
Employer Contributions	61,389	46,069	15,320	536,189	554,949	(18,761)	536,189	534,213	1,975
Amortization Expense	104	-	104	104	-	104	104	-	104
Barista Space Supplies	6,910	-	6,910	6,910	-	6,910	6,910	-	6,910
BID Assessment	-	-	-	-	1,398	(1,398)	-	3,780	(3,780)
Contingency	-	3,015	(3,015)	-	36,969	(36,969)	-	-	-
Community Development Projects	15,000	35,000	(20,000)	36,711	45,000	(8,289)	36,711	36,168	543
Dues and Subscriptions	4,115	1,897	2,219	85,826	71,301	14,526	85,826	71,444	14,382
Event Expense	-	-	-	2,739	-	2,739	2,739	-	2,739
Insurance	4,438	2,006	2,432	31,674	26,676	4,998	31,674	16,092	15,581
Interest Expense	70	-	70	70	-	70	70	-	70
Marketing - Departmental	1,212	2,227	(1,015)	29,002	26,720	2,282	29,002	11,346	17,656
Marketing - Organizational	456	6,531	(6,074)	67,370	48,211	19,158	67,370	32,900	34,470
Office Equipment	6,783	-	6,783	25,107	6,500	18,607	25,107	7,262	17,845
Office Expense	6,315	1,750	4,565	23,283	22,360	923	23,283	26,732	(3,450)
Professional Fees	3,515	9,727	(6,212)	196,748	131,747	65,000	196,748	225,566	(28,818)
Property Tax Protests	-	-	-	25,729	38,755	(13,026)	25,729	14,687	11,042
Property Taxes	-	-	-	2,809	-	2,809	2,809	-	2,809
PTAC Subcenter	27,756	40,704	(12,947)	361,630	484,347	(122,717)	361,630	273,430	88,200
Rent	12,448	12,775	(326)	150,508	150,434	74	150,508	141,989	8,519
Repairs	601	-	601	2,051	-	2,051	2,051	933	1,119
Sponsorships	-	417	(417)	3,380	5,000	(1,620)	3,380	2,500	880
Strategic Priorities	-	2,500	(2,500)	841	30,000	(29,159)	841	20,000	(19,159)
TEDD	119	500	(381)	431	2,000	(1,569)	431	118	314
Telecommunications	3,221	5,004	(1,783)	40,049	59,715	(19,666)	40,049	57,089	(17,040)
Travel/Training	14,359	11,386	2,974	69,118	123,050	(53,932)	69,118	32,284	36,834
Utilities	342	3,257	(2,915)	12,152	40,489	(28,338)	12,152	15,783	(3,632)
Workforce Development	-	-	-	1,300	-	1,300	1,300	-	1,300
Miscellaneous	1,782	3,044	(1,262)	28,349	43,964	(15,615)	28,349	18,891	9,458
Total Operating Expenses	340,702	335,391	5,311	3,406,148	3,687,386	(281,237)	3,406,148	3,080,608	325,540
Net Operating Revenue	(52,807)	(51,503)	(1,303)	205,410	12,212	193,197	205,410	443,155	(237,745)
Non-Operating Income/Expense									
Interest Income	1,409	1,349	60	22,831	16,193	6,638	22,831	33,496	(10,665)
US EDA Reimbursement	184,895	-	184,895	1,385,279	1,388,020	(2,741)	1,385,279	30,987	1,354,291
DEQ Asbestos Abatement Grant	-	-	-	30,000	-	30,000	30,000	-	30,000
Grant Revenue (GASB 68)	36,138	-	36,138	36,138	-	36,138	36,138	60,386	(24,248)
Contribution Revenue	410,000	-	410,000	531,554	-	531,554	531,554	5,000	526,554
Capital Campaign	460	-	460	5,910	-	5,910	5,910	-	5,910
Contribution Expense	-	-	-	250,000	-	250,000	250,000	-	250,000
Depreciation Expense	-	-	-	-	-	-	-	35,870	(35,870)
Pension Expense	(53,734)	-	(53,734)	(53,734)	-	(53,734)	(53,734)	223,857	(277,591)
Relocation	2,510	-	2,510	2,510	16,000	-	2,510	-	2,510
Total Non-operating Income/Expense	684,126	1,349	685,286	1,812,935	1,388,213	381,232	1,812,935	(129,857)	1,912,793
Net Revenue Over (Under) Expense	631,319	(50,154)	683,983	2,018,345	1,400,425	574,430	2,018,345	313,297	1,675,048

Big Sky Economic Development Corporation
Financial Report for the Board of Directors
July 28, 2022

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDC as of June 30, 2022. Also included is the statement of revenue and expenses for FY22 as compared to budget.

Balance Sheet

Current assets totaled approximately \$2,219,000 at the end of June. Accounts receivable decreased from \$438,000 to \$131,000. Accounts receivable consists largely of Member Investor pledges for FY21 (\$2,500), Member Investor pledges for FY22 (\$29,500), Capital Campaign pledges for the new building (\$79,000). The decrease is attributable to receiving the amount due from the Federal EDA for loans funded in May through the RLF grant (\$257,000). The RLF portfolio totaled \$302,000, the SSBCI portfolio totaled \$839,000, the Stabilization Loan portfolio totaled \$52,000, and the Federal EDA RLF portfolio totaled \$232,000.

Accounts payable totaled \$17,000 at the end of June. Deferred 504 Revenue decreased from \$28,000 in May to \$13,000 in June. Due to/Due from EDA totaled approximately \$59,000 and represents the amount owed to EDA from EDC for June reimbursement.

Statement of Revenue and Expenses

Loan origination revenue totaled \$111,111 through May and was below budget by about \$24,000. The 504 loan servicing revenue remained below budget for the year and totaled \$395,000 through June. Member investor revenue totaled \$273,000. Grant administration revenue was roughly \$48,000 below budget. Grant administration revenue will be derived from the administration of the Federal EDA RLF grant.

The Federal EDA RLF loans that funded in May resulted in \$257,000 in income related to the grant for the loan funds received. The grant funds received related to the EDA RLF loan are being tracked under the non-operating income/expense section of the income statement. We received an additional \$2,100 in pledges for the Big Sky to Sky Point Project. Donation income/pledges for the Big Sky to Sky Point Project total approximately \$178,000 through June.

Most expenses were under budget. EDA Reimbursement was under budget by about \$69,000 due to vacancy savings. Travel/training expense was under budget by about \$8,000.

The EDC transferred \$410,000 to EDA for the building project, resulting in \$410,000 of contribution expense for June. This transfer consisted of FY21 Net Operating Income (\$50,000) and SSBCI funds (\$360,000) and is being tracked in the non-operating section of the income statement.

For FY22, Big Sky EDC recognized net operating revenue of \$72,000 compared to budget of (\$84,500). When excluding non-operating revenues/expenses (Big Sky to Sky Point Pledges, Coulson Park donations, Federal EDA RLF Grant, and bad debt expense), Big Sky EDC recognized net operating revenues of (\$20,000) compared to budget of (\$84,500).

Big Sky EDC
Comparative Balance Sheet
As of June 30, 2022 and 2021

	6/30/2022	6/30/2021	+/-
Assets			
First Interstate Bank	\$606,219	\$353,963	\$252,256
FIB/Stockman SSBCI Principal	414,846	1,124,775	(709,929)
FIB-Long Term Reserve	250,000	250,000	-
FIB-Opportunity Fund	60,896	22,200	38,696
FIB-RLF	193,686	116,034	77,651
Accounts Receivable	130,800	66,092	64,708
Contributions Receivable	-	-	-
Miscellaneous Receivable	-	60	(60)
Prepaid Expenses	2,545	2,471	74
Undeposited Funds	-	-	-
Federal EDA RLF Portfolio-Current	231,693	-	231,693
RLF Portfolio-Current	77,531	58,761	18,770
Stabilization Portfolio - Current	0	43,631	(43,631)
SSBCI Portfolio-Current	250,697	31,058	219,639
Total Current Assets	2,218,913	2,069,045	149,868
Other Assets			
RLF Portfolio-Non Current	224,484	307,760	(83,276)
SSCBI Portfolio-Non Current	588,055	588,055	0
Stabilization Portfolio-Non Current	52,018	52,018	-
Allowance for Loan Losses	(21,626)	(21,626)	-
Total Other Assets	842,931	926,207	(83,276)
Total Assets	3,061,844	2,995,252	66,592
Liabilities & Equity			
Current Liabilities			
Accounts Payable	17,178	23,118	(5,940)
Property Tax Payable	-	-	-
Accrued Expenses	30,044	-	30,044
Deferred 504 Revenue	13,286	39,674	(26,388)
Due to/Due from EDA	59,230	62,431	(3,201)
Total Liabilities	119,737	125,222	(5,485)
Current Year Excess of Revenue over Expenses	72,077	130,462	(58,385)
Balance at Beginning of Year	2,870,030	2,739,567	130,462
Net Assets	2,942,107	2,870,030	72,077
Total Liabilities & Equity	3,061,844	2,995,252	66,592

Big Sky EDC
Statements of Operations
For the Periods Ending June 30, 2022

	Month			YTD			Previous Year Comparison		
	Actual	Budget	Variance	Actual	Budget	Variance	FY22	FY21	Variance
Operating Revenue									
504 Loan Origination	25,179	11,250	13,929	111,111	135,000	(23,889)	111,111	62,821	48,290
504 Loan Servicing	31,739	36,000	(4,261)	395,123	432,000	(36,877)	395,123	495,070	(99,947)
Float Income	-	-	-	31,630	10,000	21,630	31,630	21,837	9,793
Member Investment	14,433	20,000	(5,567)	273,273	285,000	(11,727)	273,273	275,925	(2,652)
RLF Business Loan Interest	1,414	1,750	(336)	16,993	21,000	(4,007)	16,993	19,829	(2,837)
RLF Origination Fees	400	-	400	1,400	-	1,400	1,400	-	1,400
Stabilization Loan Interest	93	19	74	1,515	634	881	1,515	2,419	(905)
SSBCI Revenue	2,223	1,500	723	23,574	18,000	5,574	23,574	19,205	4,369
Coronavirus Relief Funds	-	-	-	-	-	-	-	107,488	(107,488)
Healthcare Appreciation Income	-	-	-	-	-	-	-	33,273	(33,273)
Grant Administration	-	5,000	(5,000)	11,849	60,000	(48,151)	11,849	-	11,849
Interest Income	557	1,500	(943)	2,216	18,000	(15,784)	2,216	9	2,207
Donation Income	-	-	-	-	-	-	-	5,000	(5,000)
Miscellaneous Revenue	16,272	2,843	13,430	58,750	34,112	24,638	58,750	19,012	39,738
EDA In-Kind	-	-	-	-	-	-	-	348,228	(348,228)
Total Revenue	92,311	79,861	12,450	927,433	1,013,746	(86,313)	927,433	1,410,117	(482,684)
Operating Expenses									
Salaries and Wages	-	-	-	-	-	-	-	604,958	(604,958)
Employer Contributions	-	-	-	-	-	-	-	183,393	(183,393)
Business Incubation	-	125	(125)	-	1,500	(1,500)	-	1,211	(1,211)
Business Recruitment	990	1,250	(260)	1,336	15,000	(13,664)	1,336	3,989	(2,653)
Contingency	-	833	(833)	-	10,000	(10,000)	-	4,000	(4,000)
Contract Support	-	-	-	19,000	12,000	7,000	19,000	-	19,000
Dues and Subscriptions	150	379	(228)	21,277	22,797	(1,519)	21,277	47,348	(26,071)
EDA Reimbursement	58,348	60,755	(2,407)	625,242	694,595	(69,353)	625,242	-	625,242
Event Expense	-	-	-	25,871	27,000	(1,129)	25,871	19,423	6,449
Healthcare Appreciation	-	-	-	-	-	-	-	74,590	(74,590)
Insurance	881	921	(40)	12,202	12,250	(48)	12,202	16,583	(4,381)
Investment in Economic Activity	-	5,000	(5,000)	-	5,000	(5,000)	-	-	-
Marketing - Departmental	934	2,458	(1,524)	20,278	30,578	(10,300)	20,278	29,981	(9,703)
Marketing - Organizational	2,206	2,774	(568)	18,437	34,000	(15,563)	18,437	45,418	(26,981)
Marketing - Other	-	-	-	1,000	-	1,000	1,000	4,556	(3,556)
Membership Development	1,338	700	638	4,486	8,400	(3,914)	4,486	4,121	364
Office Supplies	24	200	(176)	1,758	7,850	(6,092)	1,758	17,738	(15,980)
Professional Fees	16,290	22,458	(6,168)	76,083	81,400	(5,317)	76,083	75,701	382
Postage and Printing	136	70	66	1,120	840	280	1,120	851	270
R31 Outreach	44	115	(71)	171	2,300	(2,129)	171	697	(526)
Rent	2,742	2,301	441	31,105	27,388	3,717	31,105	75,079	(43,974)
Sponsorships	500	2,000	(1,500)	7,170	7,000	170	7,170	12,963	(5,793)
Suspense	-	-	-	-	-	-	-	(4)	4
Telecommunications	1,306	605	702	6,305	7,256	(952)	6,305	26,381	(20,077)
Travel/Training	5,880	2,543	3,337	33,960	42,296	(8,336)	33,960	18,904	15,056
Utilities	-	-	-	-	-	-	-	6,082	(6,082)
Miscellaneous	4,064	2,903	1,161	40,450	48,789	(8,339)	40,450	47,289	(6,839)
Total Operating Expenses	95,835	108,390	(12,555)	947,250	1,098,239	(150,988)	947,250	1,321,253	414,348
Net Revenue Over (Under) Expense	(3,524)	(28,529)	25,004	(19,817)	(84,493)	64,676	(19,817)	88,864	(897,032)
Non-Operating Income/Expense									
Non-Operating Income/Expense									
Coulson Park	-	-	-	25,000	-	25,000	25,000	51,500	(26,500)
BSTSP	2,100	-	2,100	178,414	-	178,414	178,414	36,040	142,374
Federal EDA RLF	-	-	-	437,034	-	437,034	437,034	-	437,034
Contribution Expense	410,000	-	410,000	531,554	-	531,554	531,554	5,000	526,554
Bad Debt Expense	1,000	-	1,000	17,000	-	17,000	17,000	40,941	(23,941)
Total Non-operating Income/Expense	(408,900)	-	1,100	91,894	-	623,448	91,894	41,599	50,295
Net Revenue Over (Under) Expense	(412,424)	(28,529)	26,104	72,077	(84,493)	156,569	72,077	130,462	(846,737)