

**Big Sky EDA/EDC  
Executive Committee Agenda  
November 2, 2022  
7:00 AM to 9:00 AM  
Zoot Training and Conference Space (2<sup>nd</sup> Floor BSED Building)**

**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** – Ken Lutton, EDA Chair

**Public Comments/Board Member and Staff Announcements**

**Agenda Changes**

**REGULAR AGENDA**

**A. Approval of EDA/EDC Minutes**

- September 7, 2022 Ex. Committee Meeting (Attachment A) (Action)
- October 5, 2022 Ex. Committee Meeting (Attachment B) (Action)

**B. Approval of EDA/EDC Financials—Steve**

- September Financial Statements (pending) (Handout)(Action)
- Status of Senior Financial Officer Search (Info)
- Building Project Funding Recommendation (Handout)(Action)
- FY22 Audit AZ Engagement Letter (Attachment C) (Action)

**C. Executive Director Report—Steve**

- Strategic Priorities Update—Downtown Housing (Info)
- Acting Executive Director (Info)
- Ex. Committee and Board Meetings—Dec. 7 and 8 (Info)

**D. Program Action Items/Reports**

1. PTAC Program Update—Deanna (Info)
2. Year-End Marketing Plans—Marcell (Info)

**Consideration of Executive Session** (as needed)

**Public Comment**

**Adjourn**

**Next Executive Committee Meeting – December 7 (7:00 A.M. to 9:00 A.M.) Location-Zoot Training and Conference Space, BSED Building).** *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.*



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# ATTACHMENT A

**Big Sky EDA/EDC Joint Executive Committee Meeting  
Minutes  
September 7, 2022 – 7:00 A.M. to 9:00 A.M.  
Zoot Training and Conference Room**

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

**Committee Members Present:**     **EDA –** Ken Lutton, Paul Neutgens, Riley Bennett  
**EDC –** Andy Gott, Ann Kosempa, Kim Jakub, Nick Pancheau,

**Committee Members Absent:**   **EDA –** Debbie Desjarlais, Judi Powers  
**EDC –** Jen Kobza,

**Staff and Others Present:**         Becky Rogers, Brandon Berger, Dianne Lehm, Kevin Scharfe, Marcell Bruski, Patrick Klugman, Ryan Walla, Steve Arveschoug, Tereza Brownell

**Call to Order:**

Ken Lutton, EDA Chair, called the meeting to order at 7:00 A.M.

**Agenda Changes for Today’s Meeting:**

None

**Public Comment/Introductions**

None

**Regular Agenda:**

**Approval of EDA/EDC Minutes**

Approval of August 3<sup>rd</sup> Executive Committee Meeting Minutes

Motion: Ann Kosempa to approve the August 3<sup>rd</sup> Executive Committee Meeting Minutes, as presented to the Executive Committee.

Second: Andy Gott

Discussion: None

Motion: Carried

Approval of August 18<sup>th</sup> Electronic Board Meeting Minutes

Motion: Nick Pancheau to approve the August 18<sup>th</sup> Executive Committee Meeting Minutes, as presented to the Executive Committee.

Second: Paul Neutgens

Discussion: None

Motion: Carried

**Approval of EDA/EDC Financials—Steve**

July 2022 EDA and EDC Financials

Steve updated the Committee on the financial situation and that we will provide financial updates to the Committee as soon as prepared based on the transition of the Controller position.

Transition Plan for Controller Position

Steve shared with the Committee the transition plan for the Controller position and how those responsibilities will be filled internally during the ongoing hiring process.

## **Executive Director Dialogue**

### EDC Board Election Results

Steve shared with the Committee the EDC Board Election Results. Steve announced that the nominated Board members were approved to serve another term.

### Beartooth RC&D MOU

Steve shared with the Committee the Memorandum of Understanding (MOU) for Beartooth RC&D which will be presented to the joint board.

### Approval of Beartooth RC&D MOU

Motion: Paul Neutgens to approve the Beartooth RC&D MOU, as presented to the Executive Committee.

Second: Nick Pancheau

Discussion: None

Motion: Carried

### Staffing/Reorganization Update

Steve shared with the Committee staffing updates. Steve shared one of the biggest challenges is retaining the team and would like to pull a couple of members of the Executive Committee together to discuss restructure opportunities. A discussion was held among the Committee.

Steve shared the reorganization goals: (1) Sustaining thriving working environment (2) Reasonable reporting structure (3) Empower leaders (4) Growth opportunities within the organization. Steve has been working closely with Karen Grosz and the Leadership Team on structure scenarios. Steve answered the Board Members' questions.

## **Program Action Items/Reports**

### Annual Meeting/Grand Opening—Marcell

Marcell shared the itinerary details for the BSED Annual Meeting/Grand Opening.

### Operations—Becky

Becky shared the latest updates on the building project. TW Clark will have the last portions of the project completed by early next week. Becky commended Marcel for her hard work on final touches decorating the building. Becky updated the Committee on the plan to retain a barista to serve the first floor and public. Becky is expecting to be able to do closeout on the budget by end of the month. Becky gave an update on the Federal Grant reimbursement and the final closeout plan. Becky anticipates the Grant closeout to occur in the middle of October.

### Rock31 Update—Kevin/Ryan

Kevin introduced Ryan Walla, the Community Manager, to the Committee. Kevin announced the Rock31 Members that are renting the spaces in the building and shared the details about the Rock31 program. Kevin also shared with the Board that high school and college entrepreneurs will be able to feature their products in the barista space and receive feedback from the member entrepreneurs. Ryan shared the plan to secure memberships at the Grand Opening.

### Member Investor Program Update—Patrick

Patrick gave a Member Investor update to the Committee. We added two new Member Investors last month. Total Member Investors are at 140 currently. Patrick updated the Committee on the Bus tour plan anticipated to occur on October 20<sup>th</sup>. Patrick highlights the donor wall that recognizes donors all donors.

## **Consideration of Executive Session**

None

## **Public Comment:**

None

## **Adjourn:**

Ken Lutton adjourned the meeting at 8:15am.

Next Meeting – October 5, 2022



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# ATTACHMENT B

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

**October 5, 2022 – 7:00 A.M. to 9:00 A.M.**

**Zoot Training and Conference Space (2<sup>nd</sup> Floor BSED Building)**

***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.*

<b>Committee Members Present:</b>	EDA –Paul Neutgens EDC – Andy Gott, Ann Kosempa, Kim Jakub, Nick Panchaeu
<b>Committee Members Absent:</b>	EDA – Debbie Desjarlais, Judi Powers, Ken Lutton, Riley Bennett EDC –Jennifer Kobza, Kim Jakub
<b>Staff and Others Present:</b>	Allison Corbyn, Becky Rogers, Brandon Berger, Dianne Lehm, Patrick Klugman, Steve Arveschoug, Sarah Myhre, Tereza Brownell

### **Call to Order:**

Ann Kosempa, EDC Chair, called the meeting to order at 7:01 A.M.

### **Agenda Changes for Today's Meeting:**

All action items will be deferred . Brandon of Big Sky Finance will present to the Committee today following the Member Investor Program Update.

### **Public Comment/Introductions**

None

### **Regular Agenda:**

#### **Approval of EDA/EDC Minutes**

##### Approval of September 7<sup>th</sup> Executive Committee Meeting Minutes

The September 7<sup>th</sup> Executive Committee Meeting minutes were presented to the Committee. The minutes will be considered at the November 2, 2022 Executive Committee Meeting.

#### **Approval of EDA/EDC Financials- Steve**

##### August 2022 EDA and EDC Financials (preliminary) -Steve

Steve presented the July and August financials to the Committee. An August balance sheet was presented regarding the EDA and EDC. The EDA had a large balance of receivables related to our Federal Program and EDA grant for the building. The September Federal EDA reimbursement is not reflected in the August financials, likewise the EDA profit and loss does not represent any mill levy revenue. The mill levy is received in November and April. The mill levy will cover the shortfall represented in the August financials. A cash draw from the standing account was made in September, but the revenue was not experienced in August. Overall, there was a lot of activity in September that is not reflected in these financials.

The EDC balance sheet and profit and loss sheet does not reflect revenue received in September including Member Investor which accounts for the numbers represented.

Steve shared with the Committee that he received program budget to actual documents this morning to go through each program level. He will utilize that information to work with the team to review the status of their program budgets. The Committee discussed the budget and their questions were answered. The July/August financials will be considered at the October 13<sup>th</sup> Board meeting.

##### Status of Controller Search

Steve updated the Committee on the management of financials while the Controller search is in process. We have outsourced portions of financials as well as utilized BSED team members to fill this role in the interim. Steve answered the Committee's

questions regarding the Controller interview and search processes. We are working with outside HR to continue another round of interviews next week. Steve discussed the interview process and answered the Committee's questions.

### **Program Action Items/Reports**

#### Preliminary Legislative Priorities- Allison

Allison shared the following legislative priorities with the Committee: workforce, pro-business climate, accelerate entrepreneurship, business attraction, housing, and education. Allison discussed the desired outcomes, strategies, and next steps for each legislative priority. Allison answered the Committee's questions regarding the legislative priorities and new business recruitment.

#### Building Project Preliminary-Final Budget Presentation

Becky updated the Committee on the building project preliminary-final budget as of today's date. Our building project budget should be finalized at the end of the month. Becky shared with the Committee items that are outstanding in the budget currently and the estimated deadline for closing out the building project budget. Becky recapped the plan the Committee proposed a few months ago regarding the building project budget and how those funds were utilized. Becky presented options to the Committee for funding the remaining outstanding line items on the budget.

Steve and Becky answered the Committee's questions regarding the preliminary budget and outstanding change orders. Steve will bring recommendations to the Board in November to close out the budget. Steve also answered the Committee's questions regarding the Operational budget in relation to the building.

#### Executive Director Report- Steve

##### Staffing/Reorganization Update

Steve updated the Committee regarding staffing/reorganization. We are managing the operations duties internally and the priority is to fill the Controller role. The BSED Leadership Team has met to discuss restructuring within the organization. Steve plans to update the Board on the restructuring plan next month. The Leadership Team's goal is to 1) focus on developing four strong leadership roles within the organization with broader responsibilities related to the overall work of the organization and 2) empower and give leaders within the organization the resources to step into senior leadership roles as needed in the future. Steve would like to continue conversations with the Leadership Team and anticipates bringing those plans to the Board for approval.

Steve updated the Committee on how the Zoot Training & Event Space and Rock31 investments have been utilized to invest in the community. The Zoot Training & Event Space is utilized to host BSED events as well as utilized by community members. The Rock31 private offices and designated desks are fully booked on the first level of the building.

##### Strategic Priorities Update

Steve updated the Committee on our Strategic Priorities: 1) Build out the Billings entrepreneurship ecosystem to support new, innovative, diverse business startup 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. 4) Grow, retain, and attract a qualified workforce. BSED is working on the whole of the strategic priority. Steve discussed a Downtown Housing Study analyzing Billings' housing market and how housing impacts the Strategic Priorities.

##### Brownfields RLF Program- Dianne

Dianne updated the Committee regarding the US Environmental Protection Agency (EPA) Brownfields Revolving Loan Fund Grant Application. EPA Revolving Loan (RLF) Grants provide funding for a grant recipient to capitalize a revolving loan fund and to provide loans and subgrants to carry out cleanup activities at brownfield sites. Through these grants, EPA strengthens the marketplace and encourages stakeholders to leverage resources to clean up and redevelop brownfields. When loans are repaid, the loan amount is returned to the fund and re-lent to other borrower, providing an ongoing source of capital within a community. An eligible RLF Grant applicant may apply for up to \$1,000,000 to address brownfield sites contaminated by hazardous substances, pollutants, contaminants, and petroleum. The period of grant performance is up to five years. Dianne reviewed the purpose of and RLF Grant, how Grant funds are used to capitalize a revolving loan fund for cleanup, additional facts about loans and subgrants and borrowers and subgrantees, and examples of current RLFs and projects in Montana. Dianne answered the Committee's questions regarding the Brownfields' RLF program. The Brownfields RLF application will be considered at the October 13<sup>th</sup> Board meeting.

Member Investor Program Report Update- Patrick

Patrick updated the Committee on the Member Investor Program. The program gained three new Member Investors in the last month. Patrick provided an update on the recent Committee meeting and a strategy to move forward to achieve goals by the end of the year. Patrick shared updated regarding the upcoming Impact Bus Tour on October 19<sup>th</sup> and answered the Committee's questions.

MT SSCBI 2.0 Loan Participation Program- Brandon

Brandon updated the Committee on the SSCBI 2.0 Loan Program and reviewed the loan approval process. Brandon highlighted the structure of the loan, use of funds/eligibility, process, funds, borrower and loan size requirements, and interest rates. Brandon presented the concept of not requiring approval from the Board on each loan due to two factors 1) low risk 2) time sensitivity of the loan approval process. Steve asked that Brandon give monthly updates to the Board in regard to this Loan Participation Program. The Committee discussed the benefits of the SSCBI Loan Participation Program and Brandon answered their questions.

**Consideration of Executive Session:**

None

**Public Comment:**

None

**Adjourn:**

Ann Kosempa adjourned the meeting at 9:03 am.

Next Meeting - November 2, 2022





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# ATTACHMENT C

September 22, 2022

Steve Arveschoug, Executive Director  
Big Sky Economic Development Authority  
222 N 32<sup>nd</sup> St. Ste 200  
Billings, Montana 59101-1948

Dear Steve and Board of Commissioners:

We are pleased to confirm our understanding of the services we are to provide for Big Sky Economic Development Authority (the Authority) for the year ended June 30, 2022.

### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of the Authority as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Proportionate Share of Net Pension Liability
- 3) Schedule of Contributions

We have also been engaged to report on supplementary information other than RSI that accompanies the Authority's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional



procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

1) Schedule of Expenditures of Federal Awards

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit**

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or



(4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls

- Improper revenue recognition

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.



### **Audit Procedures—Internal Control**

We will obtain an understanding of the Authority and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Authority's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.



### **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Authority in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Responsibilities of Management for the Financial Statements and Single Audit**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that Authority programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.



Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Authority involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Authority complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.



Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.





The audit documentation for this engagement is the property of Anderson ZurMuehlen & Co., P.C. (Anderson ZurMuehlen) and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to any cognizant, oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Anderson ZurMuehlen personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant or oversight agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately November 7, 2022, and to issue our reports no later than December 31, 2022. Stefani Freese, Shareholder is the engagement partner and is responsible for supervising the engagement and signing the reports.

Our fees for these services for the year ended June 30, 2022, will be \$30,500. Our fees and the timeline above are based on the following assumptions:

1. Anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. Cooperation includes meeting timelines on requested schedules and other audit request. The accompanying client assistance schedule sets forth the information we have requested and the associated due dates. Failure to provide this information accurately and on the date requested will be the basis for additional fees.
2. There are no unanticipated changes in the scope of our work such as new programs or funds, or significant misstatements in the financial statements. Our fee contemplates that we will be required to test up to 2 federal programs as major programs. Should we determine that additional programs are required to be audited as major, our fee will increase \$2,000 for each additional major program, depending on the size and complexity of the programs.
3. The accounting records are maintained in a reasonable manner, with appropriate supporting documentation provided as requested.

Our fee anticipates the Authority has implemented GASB 87, *Leases*. A minimum of \$250 per lease will be charged in the event the Authority has not implemented GASB 87, *Leases* prior to fieldwork commencement.



Fees for our services will be billed as our work progresses and are due upon presentation. If either party elects to terminate our services for nonpayment or for any reason in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

### **Reporting**

We will issue written reports upon completion of our single audit. Our reports will be addressed to Board of Commissioners of Big Sky Economic Development Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

In the event Anderson ZurMuehlen is required to respond to a subpoena, summons, court order, or other legal process from any third party for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate the Firm at its hourly rates for the time it expends in connection with such response, and to reimburse us for all out-of-pocket expenses incurred.

The parties to this engagement agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement (except actions by us to enforce payment of our professional invoices), will, prior to resorting to litigation, be submitted to mediation, upon a written request to mediate given by either party. Any mediation initiated as a result of this engagement shall be administered within the county of Lewis and Clark, Montana. The costs of any mediation proceeding shall be shared equally by the parties. The results of any such mediation shall be binding only upon agreement of each party to be so bound. Should mediation be unsuccessful, the parties reserve the right to pursue litigation in a court of competent jurisdiction in Lewis and Clark County.



In connection with this engagement, we may communicate with you or others via email transmission, and by signing this letter you authorize us to do so. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. You agree that we shall have no liability for any loss or damage resulting from the use of email transmissions. If requested, we'll provide a secure portal for the transmission of confidential information.

Our Firm's record retention policy follows guidelines provided by the American Institute of Certified Public Accountants. Original client documents and files are returned to you for safekeeping. Anderson ZurMuehlen generally retains copies of client files and documents for seven (7) years in support of the work completed. Beyond the 7-year retention period, files will be destroyed unless a written request is provided to us by you.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of contract. Our 2020 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Big Sky Economic Development Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign and return a copy to us. This agreement is binding upon, and inures to the benefit of, the parties and their respective permitted successors and assigns.

ANDERSON ZURMUEHLEN & CO., P.C.

A handwritten signature in blue ink, appearing to read "Stefani Freese", is written over the printed name.

By: Stefani Freese, CPA  
Shareholder



This letter correctly sets forth the understanding of:  
BIG SKY ECONOMIC DEVELOPMENT AUTHORITY

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Management Signature

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Title

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Date

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Governance Signature

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Title

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Date

Attachment: 2020 Peer Review Report

September 22, 2022

Steve Arveschoug, Executive Director  
Big Sky Economic Development Corporation  
222 N 32<sup>nd</sup> St. Ste 200  
Billings, Montana 59101

We are pleased to confirm our understanding of the services we are to provide for Big Sky Economic Development Corporation (the Organization) for the year ended June 30, 2022.

### **Audit Scope and Objectives**

We will audit the financial statements of the Organization, which comprise the statement of financial position as of June 30, 2022, the related statements of activities, functional expenses, and cash flows for the year then ended, and the disclosures (collectively, the financial statements).

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.



Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will obtain an understanding of the Organization and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls.
- Improper revenue recognition due to fraud.
- Due to economic pressures placed on business due to labor shortages and potential recession, there is a risk that certain loans are uncollectible, thus causing the loans receivable balance to be overstated.
- Related party payments for administration and overhead costs (salary, fringe, rent, insurance) are reimbursed at a rate different from the EDA EDC Professional Services Agreement, and the resulting in-kind donation for the portion not reimbursed is misstated.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.



We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

### **Other Services**

We will prepare the Organization's Form 990 information return for the year ended June 30, 2022 based on information provided by you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the information return, but management must make all decisions with regard to those matters.

The parties to this engagement agree to provide the Small Business Administration (SBA) with access to and copies of any workpapers, policies and procedures relating to the services performed. We will grant access to our workpapers upon written request by the SBA. You agree to compensate Anderson Zurmuehlen & Co., P.C. (Anderson Zurmuehlen) at its standard hourly rates, for the time it expends in connection with such response, and to reimburse Anderson Zurmuehlen for all of its out-of-pocket expenses incurred in that regard.

We will comply with the independence requirements and interpretations of the Securities and Exchange Commission and its staff.

You agree to assume all management responsibilities for the tax services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair



presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws and regulations.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Stefeni Freese, Shareholder is the engagement partner and is responsible for supervising the engagement and signing the report. We expect to begin our audit procedures November 7, 2022 and issue our reports no later than December 31, 2022. Our fees for these services for the year ended June 30, 2022, will be \$18,000 for the audit and \$2,500 for the 990 preparation. Our fees and the timeline above are based on the following assumptions:

1. Anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. Cooperation includes meeting timelines on requested schedules and other audit request. The accompanying client assistance schedule sets forth the information we have requested and the associated due dates. Failure to provide this information accurately and on the date requested will be the basis for additional fees.
2. There are no unanticipated changes in the scope of our work such as new programs or funds, or significant misstatements in the financial statements.
3. The accounting records are maintained in a reasonable manner, with appropriate supporting documentation provided as requested.





Our fee anticipates the Organization has implemented ASU 2016-02, *Leases (Topic 842)*. A minimum of \$250 per lease will be charged in the event the Organization has not implemented ASU 2016-02, *Leases* prior to fieldwork commencement.

If significant additional time is necessary, we will notify you in advance and keep you informed of any problems we encounter and our fees will be adjusted accordingly.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

There is a separate engagement letter to be signed and returned for the preparation of your tax return.

### **Reporting**

We will issue a written report upon completion of our audit of Big Sky Economic Development Corporation's financial statements. Our report will be addressed to the Board of Directors of Big Sky Economic Development Corporation. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

The parties to this engagement agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement (except actions by us to enforce payment of our professional invoices) will, prior to resorting to litigation, be submitted to mediation, and they will engage in the mediation process in good faith once a written request to mediate has been given by either party. Any mediation initiated as a result of this engagement shall be administered within the county of Lewis & Clark, Montana, according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to Montana law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the parties.

In the event Anderson ZurMuehlen & Co., P.C. (Anderson ZurMuehlen) is required to respond to a subpoena, summons, court order, or other legal process for the production of documents and/or testimony relative to information Anderson ZurMuehlen obtained and/or prepared during the course of this engagement, you agree to compensate Anderson ZurMuehlen at its standard hourly rates, for the time it expends in connection with such response, and to reimburse Anderson ZurMuehlen for all of its out-of-pocket expenses incurred in that regard.



Any claim arising out of this engagement, except actions by Anderson ZurMuehlen to enforce payment of its professional invoices, must be asserted within one year from the date any such cause of action accrues, or within three years from the completion of the engagement, whichever is earlier, notwithstanding any statutory provision to the contrary.

If either party elects to terminate our services for nonpayment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended, and to reimburse us for all of our out-of-pocket costs, through the date of termination.

In connection with this engagement, we may communicate with you or others via email transmission, and by signing this letter you authorize us to do so. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Our Firm's record retention policy follows guidelines provided by the American Institute of Certified Public Accountants. Original client documents and files are returned to you for safekeeping. Anderson ZurMuehlen generally retains copies of client files and documents for seven (7) years in support of the work completed. Beyond the 7-year retention period, files will be destroyed unless a written request is provided to us by the client.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. This agreement is binding upon, and inures to the benefit of, the parties and their respective permitted successors and assigns.

ANDERSON ZURMUEHLEN & CO., P.C.

A handwritten signature in blue ink that reads "Stefani Freese".

By: Stefani Freese, CPA  
Shareholder



This letter correctly sets forth the understanding of:  
BIG SKY ECONOMIC DEVELOPMENT CORPORATION

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Management Signature

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Title

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Date

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Governance Signature

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Title

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Date