



**Big Sky Economic Development
Board Meeting/Mid-Point Planning Session
April 13, 2023
7:30 AM to 12:45 PM
Rocky Vista University—Montana College of Osteopathic Medicine
4130 Rocky Vista Way
Billings, Montana**

**Agenda
(Arrive at 7:15 AM for light wake-up goodies)**

7:30 AM—Call to Order—Kim Jakub, EDC Board Chair

7:33 AM—Public Comment/Announcements/Recognition/Changes to the Agenda

1. Announcements—Marcell
2. Special Welcome and Update—Dr. David Park, DO, Vice President RVU and Founding Dean Montana College of Osteopathic Medicine—Billings, Montana

7:55 AM—Regular Business

1. Minutes—March 9, 2023 (Attachment A) (EDA & EDC Action)
2. January Financials—EDA and EDC (Attachment B) (EDA & EDC Action)
 - Budget Workshop Set—May 3rd at Executive Committee Meeting
3. Program Action Items/Reports
 - BSF Loan Approvals—Brandon (Attachment C) (EDC Action)
 - Legislative Update—Allison

8:10 AM—Planning Session Warm-Up

8:30 AM—**Mapping Out Next Steps for 2022-2024 Strategic Priorities**

1. Entrepreneurship—Rock31
 - the Numbers—Steve
 - Hearing from the Rock31 Resident Entrepreneurs—Owen Haacke
2. Workforce/Talent Attraction—BillingsWorks/BOiB Update—Marcell
3. Seizing the Moment—From Investment in our Medical Corridor to Downtown Redevelopment
 - “Getting the Job Done” Panel
 - Planned Development in DT—Katy Easton
 - What Developers Need—George Warmer/Mike Stock
 - Defining the BSED Next-Steps Strategy
4. QoL Investment—A Comprehensive Plan for Parks/Trails/Rec Funding/Development
 - “Getting the Job Done Panel”
 - Poll Results—Jack Jennaway
 - Report from City Council Retreat—Chris Kukulski
 - Next Steps—Councilman Tom Rupsis, John Brewer, and Thom MacLean
 - Defining the BSED Next-Step Strategies

10:15 AM—Break Time

10:30 AM—**Organizational Opportunities/Board Ownership**

1. Senior Director Roundtables— “Measuring Success”
 - Board’s Role and Ownership
2. Telling our Story—Marcell
 - Board’s Role and Ownership
3. Growth Strategy for Member Investor Program—Patrick
 - Board Role and Ownership

11:50 AM—Working Lunch/Wrap Up

1. Review our Game Plan—Next Steps for Strategic Priorities and Board Ownership Priorities
2. Check-In (What excites you? Something more?)

12:40 AM—Public Comment

12:45 PM—Adjourn



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A



EDA · EDC CREATING MONTANA BUSINESS OPPORTUNITIES

EDA/EDC Joint Board Minutes
Thursday, March 9, 2023
7:00 A.M. – 9:00 A.M.
Rock31/BSED Building
Zoot Training and Event Space (2nd Floor)

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.

EDA Board Members Present: Bryce Terpstra, Debbie Desjarlais, George Warmer, Kate Vogel, Judi Powers, Ken Lutton, Lucy Aspinwall, Paul Neutgens, Riley Bennett, Zachary Dunn

EDA Board Members Absent Bryan Wood

EDC Board Members Present: Andy Gott, Ann Kosempa, John Ostlund, Jen Kobza, Justin Martin, Kim Jakub, Mike Nelson, Mike Phillips, Mike Seppala, Nick Pancheau, Spencer Frederick, Stefani Hicswa, Tyler Hicswa

EDC Board Members Absent: Bob Wilmouth, Craig Bartholomew, Dave Ballard, DJ Clark, Jennifer Weaver Kondracki, Mac Fogelsong, Michael Marsh, Nicole Bengé

Ex-Officios Present: Katy Easton, Kurt Markegard, Mark Morse, Pam Purinton

Staff and Guests: Allison Corbyn, Brandon Berger, Brian Bird, Deanna Langman, Dustin Frost, Jeff Roach, Lisa Perry, Lorene Hinz, Marcell Bruski, Michelle Harkins, Molly Schwend, Patrick Klugman, Sarah Myhre, Steve Arveschoug, Tami Fleetwood, Tereza Brownell, Thom Maclean

Call to Order:

Judi Powers, EDA Chair, called the meeting to order at 7:00 A.M. with the Pledge of Allegiance.

Public Comment/Recognitions/Special Announcements and Introductions:

Introduce Jeff Roach- Director of Aviation and Transit-/City of Billings

Steve introduced the new Director of Aviation and Transit for the City of Billings, Jeff Roach. Mr. Roach shared his professional background with the Board.

Special Update-Northwestern Energy-Brian Bird, CEO

Lisa Perry, Community Relations Manager with Northwestern Energy introduced, CEO, Brian Bird. Mr. Bird has been with Northwestern Energy for over 20 years and was named CEO at the beginning of January 2023. Mr. Bird shared an energy update on resource adequacy regarding the Yellowstone County Plant and Colstrip. Mr. Bird reviewed balancing reliability-performance excellence, affordability-investing in Montana while keeping bills low, and sustainability-high carbon-free supply portfolio and how the Colstrip plant fits into this model. Mr. Bird also shared capacity facts about the Yellowstone County Natural Gas Plant.

Board Committees Update-Steve

Steve shared with Board that he will send an updated list of the Board Committee. There are still a few opening that will need to be filled: Joint Nominating Committee-1 EDA, 2- EDA openings on Ad Hoc Legislative, 1 EDA opening- Opportunity Fund Committee, 1 EDA opening- Loan Committee, and Membership Committee -2 EDA

openings. Steve asked the Board to review the openings and consider serving if able. Judi encouraged the Board members to increase their involvement and participate on the committees.

Agenda Changes:

Under the financial matters a resolution will be added to today's agenda to grant Steve and Tami the authority to manage all financial accounts and remove past staff members. We will ask the Board to act on this item and approve the resolution.

Dianne introduced Michelle Harkins with Billings Industrial Revitalization District. Michelle shared some upcoming projects.

Consent Items for Board Action

Approval of February 9th Board Meeting Minutes

Motion: Spencer Frederick to approve the February 9th Board Meeting Minutes, as presented to the Board.

Second: Zach Dunn

Discussion: None

Motion: Carried

Financial Matters-Tami

Financials for December 2022

Tami presented the December 2022 financials. For the EDC balance sheet, current assets totaled approximately 1.6 million which represents an increase. The primary reason for this is a decrease in accounts receivable. Tami shared that the due to/due from amount was at \$189,000 due to transition in staffing. These funds will start to be moved over to be more in line with what is expected. The total EDC recognized net revenue for the first six months of the fiscal 76,000 where a net loss of \$20,000 was budgeted. If excluding non-operating revenues, a \$135,000 net operating loss was recognized. EDC is doing better than budget for EDC for net revenues for first 6 months of the year. Overall, most expenses were under budget for the first 6 months.

On the EDA balance sheet, current assets decreased approximately \$500,000. This represents a decrease in receivables and expenses for the Big Sky to Sky Point project. Again, the due to/due from was \$189,000 and this will be reconciled. Accounts payable were \$105,000. Revenue for EDA was \$91,000 under budget for first six months. Part of this is due to timing as many revenues are reimbursement based and if not spend they did not come in. Expenses remained under budget through the first six months of the fiscal year. Net revenue was \$772,000 (non-operating revenues) compared to budget of \$463,000. If excluding non-operating revenues the net operating revenue \$815,000 compared to budget of \$643,000 for the first six months of the fiscal year.

Motion: Ken Lutton to approve the December 2022 financials as presented to the Board.

Second: Mike Seppala

Discussion: None

Motion: Carried

Resolution to Board of Directors-Steve

Steve asked the Board to approve the execution of the Resolution to the Board of Directors to allow Tami and Steve to manage all financial accounts and remove past staff members.

Motion: Jen Kobza to approval the execution of the Resolution to the Board of Directors regarding Tami and Steve's management of all financials accounts

Second: Stefani Hicswa

Discussion: None

Motion: Carried

Action Items

Air Service Grant-Matching Funds-Allison/Jeff Roach

Allison and Jeff Roach shared information concerning the Air Service Grant-Matching Funds. Allison serves on the Chamber Air Service Committee and there was a good discussion at the last meeting about priorities. The discussion surrounded strategies for the future and the current trends in Billings. Allison shared a presentation on enplanement and air service trends. The enplanement trend shows that Billings fell to the 4th position. Allison shared that we need to change the current course and come back stronger as an airport to change this data trend. Allison reviewed some challenges and opportunities in relation to air service in Billings. The LA Basin is one of the top unserved destinations for direct flights.

Allison then reviewed the Small Community Air Service Development (SCASD) Grant Application. In 2017, this was used to attract American Airlines to Billings. For this grant, the community is responsible for raising a revenue guarantee for the match. The goal is to build on the grant success attained with American Airlines to go back and apply for another DOT grant to encourage a carrier to fly to one of our markets. The market we are primarily looking at is the LA Basin as a top destination. As an airport, Billings needs support through letters and from the community, but also need a match. The airport cannot provide match for grants like this using airport generated funding.

The SCASD grant allows an offer of revenue guarantee up to two years. Jeff asked to apply for a \$750,000 grant and \$750,000 from the community in match. This is a number that is generally awarded. The application period will open this month and a package will need to be submitted in the next few weeks. By August it will be known if the application was successful and the next three to four months are spent in negotiation with the carriers for service.

Allison shared that we need committal letters from organizations stating the contribution amount they are willing to commit to the pool. These funds will not be collected until a contract in place. Today's ask is for BSED to contribute a designated amount and then approval to gather funds from community.

Steve shared that BSED contributed up to \$25,000 for the last air service grant. Steve shared a possible opportunity to allow Western Skies Strategies to invest time to manage the workload required for this project including meetings, pitches, etc. Today, Steve asked the Board to contribute up to \$10,000 toward the Air Service Grant-Matching Fund and the Western Skies fundraising contract. Commitments need to be realized by May 1st. The Board discussed the timeline for the grant match as well as the Parks, Trails, and Rec Funding Package. Steve asked Jeff to elaborate on how this match helps with the affordability issues of flying out of Billings.

Motion: Mike Phillips to approve the use of up to \$10,000 toward the Air Service Grant-Matching Fund and the Western Skies fundraising contract.

Second: Paul Neutgens

Discussion: None

Motion: Carried

Big Sky Trust Fund, Job Creation-Budgetary Authority Resolution-Lorene

DSoft Technology Company is a Colorado based business that is looking to expand to Billings. Lorene is seeking approval from the EDA Board for Big Sky Economic Development to apply for the Job Creation Grant on behalf of DSoft Technology Company in the amount of \$30,000 to create six jobs.

Motion: Riley Bennett to approve the Big Sky Trust Fund, Job Creation Grant, and Budgetary Authority Resolution for the funds DSoft Technology Company as presented to the Board.

Second: Lucy Aspinwall

Discussion: None

Motion: Carried

Partnership Concept with Native American Development Corp-Lorene

Lorene shared with the Board a partnership concept with the Native American Development Corporation (NADC). The NADC has the opportunity to apply for the IMBDA (Minority Business Development Agency) Capitol Readiness Program. Through the grant NADC needs to have client support and incubator support service for NADC clients. This partnership concept is a good fit as these services are already provided by the SBDC. BSED would be a subrecipient of the grant to fund the salary, benefits, and offices equipment to hire a Rock31 support specialist who would also perform data entry for the SBDC. The application deadline for the grant is March 10, 2023 and the grant would run from July 1, 2023-July 1, 2027. Lorene asked the Board to approve the partnership concept as presented to the Board.

Motion: Debbie Desjarlais to approve the partnership concept with Native American Development Corporation to provide client support services for NADC clients.

Second: George Warmer

Discussion: None

Motion: Carried

BSTF Job Creation Grant-Allison/Lorene

Big Sky Trust Fund-Planning Grant Application

Request: Up to \$20,000 for preliminary architecture and engineering

Undammed Distilling Co., LLC started a little over two years ago in Billings, MT. They have grown to the point that we need to expand production. They are planning to relocate to a larger facility in Billings, which will increase production space (including upgrading equipment), barrel storage space and Tasting Room capacity. They will be adding two full-time jobs upon moving. The distilling industry is heavily regulated, so the building upgrades will be crucial to licensing as well as increasing production capacity.

Motion: Ken Lutton to approve the Big Sky Trust Fund-Planning Application Grant, Undammed Distilling Co., LLC as presented to the Board.

Second: Bryce Terpstra

Discussion: None

Motion: Carried

VBOC Five Year Budget Plan-Dustin

Dustin shared that the VBOC program is approaching the last few months of the five-year grant period to deliver the VBOC program to three regions. A five-year budget offer is proposed in the amount of \$360,000. Dustin presented recommendations for the upcoming budget and year number one's work plan for delivery of services. The budgetary increase by the SBA gives flexibility to redistribute funds. Dustin requests the Board's approval of the budget to continue the VBOC program. Dustin included a doubling of in person, non "Boots to Business" training events in the budget. The renewal application that will be submitted is a non-competing renewal application that is only offered to BSED. Today is Dustin's last Board meeting and Steve and the Board recognized Dustin for his exceptional work in the VBOC program.

Motion: Ken Lutton to approve the submittal of the proposed budget as presented to the Board.

Second: Bryce Terpstra

Discussion: None

Motion: Carried

Program Reports

504 Semi-Annual Report -Brandon

Brandon shared with the Board the 504 Loan Portfolio Overview as of February 28, 2023. Brandon reviewed the SBA 504 Loan Portfolio, Calendar Year Activity for 2020-2022, Portfolio Concentration, Stressed Loans, and Watch List Loans. Brandon also reviewed the Lender Portal Information as of December 31, 2022. This information is reviewed on a quarterly basis. The Lender Purchase Rating is 1 which represents that the SBA feels confident in the Big Sky Finance portfolio. Big Sky Finance also received a SMART Score of 26 which is a very good rating. Brandon shared that Big Sky Finance's portfolio is performing very well.

SBA 504 Loan Request

- I. Big Sky EDC is requesting approval to submit to the US Small Business Administration the following SBA 504 loan request. The Big Sky EDC Loan Committee has reviewed the request and recommends approval to the full EDC Board for submission to the SBA for final approval. The request meets all the underwriting and eligibility requirements of the EDC.

1. **MIRZA HEARING SERVICES LLC / MIRZA HOLDING LLC (Miracle Ear)** – Purpose of this request is for the purchase of a commercial condominium unit located in Kalispell, MT for Mirza Hearing Services LLC. Mirza Hearing Services is a Miracle Ear franchise owned and operated by Usman Mirza. This is an existing business with locations in Kalispell and Missoula. They have lost their lease on their existing location in Kalispell thus the need for the acquisition. This new location will be in the same area as their current location and is in the heart of the medical district.

The total SBA debenture will be \$150,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real property behind Bank of Idaho. The project will retain the existing 3 jobs and meets a Public Policy goal for rural development and is located in a HubZone.

Motion: Spencer Frederick to approve the SBA 504 loan request, Mirza Hearing Services LLC/Mirza Holding LLC (Miracle Ear) as presented to the Board.

Second: Jen Kobza

Discussion: None

Motion: Carried

EDA-RLF Loan Requests

- II. Big Sky EDC is requesting approval of the following EDA-RLF Loan request. The Big Sky EDC Loan Committee (EDA-RLF Committee) has reviewed the request and recommends approval to the full EDC Board. The request meets all the underwriting and eligibility requirements of the program.

2. **Billings Family Optical, PLLC** – Purpose of this request is for financing of medical equipment and to assist with tenant improvements to a shell office space located near Shiloh and Grand Ave. for Billings Family Optical. EDA_RLF funds will be applied towards the equipment purchases. Billings Family Optical has been serving the Billings community for over 30 years. The current owner, Dr. Despain, took over the practice in 2012. They are expanding into a 2nd location on the west end of Billings. Current location is in the Billings Heights.

Total loan amount will be \$250,000 provided by the EDA-RLF funds. Big Sky EDC will be secured by a 2nd lien position on the project equipment (all business assets filing). Request meets the requirements of the EDA-RLF Plan as funds will be used for a small business expansion in partnership with Western Security Bank and will leverage additional private investment of at least two dollars for every one dollar of RLF funds. Loan will be a 10-year term amortized over 10 years at 6.00%. Eight new jobs are projected to be added because of this project.

Motion: Mike Phillips to approve the EDA-RLF loan request, Billings Family Optical, PLLC as presented to the Board.

Second: Spencer Frederick

Discussion: None

Motion: Carried

Abstained: Mike Seppala

Executive Director Report- Steve

Parks/Trails/Rec Comprehensive Funding/Development Plan-Update- Steve shared that the Parks/Rec/Trails Funding Working Group’s next meeting is scheduled for March 24th.

Vacant Board Seats-Next Steps

Steve shared with the Board that there are two vacant EDC Board seats. Steve shared the process for filling these vacancies. Steve shared that Nicole Bengé has provided a referral to fill her upcoming vacancy. There is currently a vacancy to be filled by Billings Clinic and the Clinic will provide a recommendation in the near future. Steve will utilize the nominating committee to provide confirmation on the open EDC positions and then forward to the Board.

Board Planning Session-Mark your Calendar-April 13th, 7:30AM to 12:30PM

Steve shared with the Board that the Board Planning Session is scheduled for Thursday, April 13th. This session will take place at the MCOM-RVU campus. We will begin with a brief Board meeting followed immediately the planning session.

Re-Org/Staffing Update: BSED has filled two Senior Director positions. Patrick is the Senior Director of Economic Development Programs and Tami is the Senior Director for Big Sky Finance. Patrick will be leading interviews for the open VBOC Director position. Patrick shared that there will be three interviews conducted tomorrow for the VBOC Director positions. Steve shared that interviews for the Senior Director of Recruitment and Community Development were conducted yesterday. Steve is working on an appointment for the Senior Director of Engagement. This will be an internal appointment and Steve is looking to finish work on this in the next couple weeks. We will also post a job announcement for a Project Specialist position to support Recruitment and Community Development. We will also look to post a job opening for the Business Development Officer for Big Sky Finance. BSED will postpone filling the Rock31 Director position until April. Ryan is doing a great job as the Rock31 Community Manager and Kevin Scharfe is still under contract and launching the Rock31 Accelerator Program.

Public Comment:

None

Adjourn

Motion: Ken Lutton motion to adjourn the meeting.

Second: Riley Bennett

Discussion: None

Motion Passed

Judi Powers adjourned the meeting at 9:05 am

Next Meeting – Thursday, April 13, 2023

Respectfully submitted,

Debbie Desjarlais, EDA Secretary/Treasurer

Nick Pancheau, EDC Secretary/Treasurer

When approved, minutes and meeting materials will be filed electronically in the Big Sky EDA office. *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 ED at 256-6871.*



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT B

Big Sky Economic Development Authority
Financial Report for Board of Directors
April 5, 2023

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDA as of January 31, 2023. Also included are statements of revenue and expenses for the month of January 2023 and the fiscal year to date as compared to budget.

Balance Sheet

Current assets at the end of January were approximately \$4,653,000, an increase of approximately \$3,000 as compared to December. Accounts receivable consists of PTAC (\$97,752), SBA (\$47,318), SBDC (\$28,721) and U.S. EDA (\$102,000).

Due To/Due From EDC totaled approximately \$138,000 at the end of January and consists of amounts due from EDC for November, December and January. Tax levy receivable decreased approximately \$10,500 from December. Protested tax receivable totaled approximately \$12,500 and an allowance of 100% of protested tax levy receivable is reflected to allow for potentially uncollectible protested tax levy. Fixed assets were consistent with December. There was a slight increase related to the building's construction in progress and accumulated depreciation.

Accounts payable totaled approximately \$137,000 at the end of January. Accrued expenses totaled approximately \$92,000 and consist largely of salary/benefits accruals (approximately \$61,000). Compensated absences total approximately \$154,000.

Statement of Revenue and Expenses

Revenue was about \$46,000 under budget for the fiscal year to date through January. EPA-Brownfields revenue was about \$92,000 under budget based on timing of expenses associated with this grant. Grant administration, which consists of administration revenues for Big Sky Trust Fund awards, was approximately \$43,000 more than the amount budgeted.

Most expenses remained under budget for the fiscal year to date through January. Salaries/wages and employer contributions were under budget by about \$92,000 due to vacancy savings. Travel/training was under budget by about \$17,000. Professional fees were under budget by approximately \$103,000.

Big Sky EDA recognized contribution revenue of \$60,300 for the fiscal year to date through January, which is being tracked in the non-operating section. These donations were received for the Big Sky to Sky Point project.

For the first 7 months of the fiscal year, Big Sky EDA recognized net revenue of approximately \$746,000 compared to budget of approximately \$326,000 for the same period. When excluding non-operating revenues and expenses (contribution revenue, interest income, relocation fees related to the Big Sky to Sky Point project, and depreciation/amortization expense), Big Sky EDA recognized net operating revenues of approximately \$808,000 compared to budget of approximately \$524,000 for the same period.

Big Sky EDA
Balance Sheet Prev Year Comparison
As of January 31, 2023

	Jan 31, 23	Jan 31, 22	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
First Interstate Bank				
FIB x1210-EDA Main Operating	\$ 242,667	\$ 94,228	\$ 148,439	158%
FIB x8987-BSTSP	14,955	208,010	(193,055)	(93%)
FIB x2005-SBDC Program Income	9,933	7,682	2,251	29%
Total First Interstate Bank	267,555	309,920	(42,365)	(14%)
FIB - Recovered Property Taxes	626	377,795	(377,169)	(100%)
FIB - Operating Reserve	64,446	251,060	(186,614)	(74%)
Opportunity Fund - Opportunity	288,390	626,997	(338,607)	(54%)
Opportunity Fund - Stockman	85,763	75,243	10,520	14%
Stockman GE Maintenance	15,128	15,128	-	0%
Altana - Savings	25	25	-	0%
Rocky Mountain - Money Market	43,285	43,322	(37)	(0%)
Valley Federal - Savings	25	25	-	0%
Valley Federal - Money Market	300,810	300,474	336	0%
Yellowstone County Funds	692,836	657,582	35,254	5%
Clearing Account	-	-	-	0%
Total Checking/Savings	1,758,889	2,657,571	(898,682)	(34%)
Accounts Receivable	457,276	642,308	(185,032)	(29%)
Other Current Assets				
Grants Receivable	-	50,000	(50,000)	(100%)
Tax Levy Receivable	553,870	535,995	17,875	3%
Tax Levy Receivable - Protested	12,377	22,754	(10,377)	(46%)
Allowance for Doubtful Accts	(12,377)	(22,754)	10,377	46%
American Revenue Guarantee	6,887	6,887	-	0%
Due To/Due From EDC	138,087	50,280	87,807	175%
Prepaid Expenses	3,441	17,495	(14,054)	(80%)
Opportunity Fund CDs-current	1,734,416	2,793,320	(1,058,904)	(38%)
Total Other Current Assets	2,436,701	3,453,977	(1,017,276)	(29%)
Total Current Assets	4,652,866	6,753,856	(2,100,990)	(31%)
Fixed Assets				
Construction in Progress	5,002,514	2,016,835	2,985,679	148%
Bank Building - Land	301,750	301,750	-	0%
Bank Building - Building	1,473,250	1,473,250	-	0%
Accumulated Depreciation	(160,829)	(47,220)	(113,609)	(241%)
Total Fixed Assets	6,616,685	3,744,615	2,872,070	77%
Other Assets				
Barista Equipment	12,000	-	12,000	100%
Cabelas Conduit x0603	9,590	4,984	4,606	92%
Deferred Outflow of Resources	129,336	249,285	(119,949)	(48%)
Deposit	5,181	-	5,181	100%
Opportunity Fund CDs-noncurrent	642,380	150,767	491,613	326%
Right of Use Asset	7,240	-	7,240	100%
TEDD Receivable	-	3,425	(3,425)	(100%)
Total Other Assets	805,727	408,461	397,266	97%
TOTAL ASSETS	\$ 12,075,278	\$ 10,906,932	\$ 1,168,346	11%

Big Sky EDA
Balance Sheet Prev Year Comparison
As of January 31, 2023

	Jan 31, 23	Jan 31, 22	\$ Change	% Change
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	\$ 131,992	\$ 93,920	\$ 38,072	41%
Credit Cards	5,323	6,344	(1,021)	(16%)
Other Current Liabilities				
Accrued Expenses	92,396	90,251	2,145	2%
Compensated Absences	154,127	173,068	(18,941)	(11%)
Deferred Revenues	18,282	50,000	(31,718)	(63%)
Payroll Liabilities	15,821	(522)	16,343	3,131%
Total Other Current Liabilities	<u>280,626</u>	<u>312,797</u>	<u>(32,171)</u>	<u>(10%)</u>
Total Current Liabilities	417,941	413,061	4,880	1%
Long Term Liabilities				
Deferred Inflow of Resources	386,724	32,238	354,486	1,100%
Lease Liability	7,240	-	7,240	100%
Pension Liability	563,223	1,127,529	(564,306)	(50%)
Total Long Term Liabilities	<u>957,187</u>	<u>1,159,767</u>	<u>(202,580)</u>	<u>(17%)</u>
Total Liabilities	1,375,128	1,572,828	(197,700)	(13%)
Equity				
Net Assets	7,242,523	5,222,746	2,019,777	39%
Contributed Capital	3,193,580	3,193,580	-	0%
Prior Period Adjustment	(482,470)	(482,470)	-	0%
Net Income	746,517	1,400,248	(653,731)	(47%)
Total Equity	<u>10,700,150</u>	<u>9,334,104</u>	<u>1,366,046</u>	<u>15%</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 12,075,278</u>	<u>\$ 10,906,932</u>	<u>\$ 1,168,346</u>	<u>11%</u>

Big Sky EDA
Statements of Operations-Actual vs Budget
For the Month and YTD Ended January 31, 2023

	Jan 23	Budget	\$ Over Budget	Jul '22 - Jan 23	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense							
Income							
County Taxes Mill Levy Revenue	\$ (98)	\$ -	\$ (98)	\$ 1,336,608	\$ 1,365,620	\$ (29,012)	\$ 1,365,620
Entitlement	-	-	-	127,701	124,378	3,323	248,756
Health Ins Mill Levy Revenue	7,155	8,966	(1,811)	51,675	62,761	(11,086)	107,590
Recovery of Protested Taxes	-	-	-	1,223	-	-	-
Department of Defense	49,401	54,401	(5,000)	373,582	380,805	(7,223)	652,809
EDC Reimbursement	47,584	60,077	(12,493)	437,259	420,539	16,720	720,924
EPA - Brownfields	-	13,889	(13,889)	4,730	97,222	(92,492)	166,667
PTAC Advisor Agreement Support	3,000	-	-	18,000	-	-	-
SBA/MT Dept of Commerce	11,250	13,542	(2,292)	102,552	94,792	7,760	162,500
VBOC	23,855	25,000	(1,145)	170,452	175,000	(4,548)	300,000
Rock31 Membership Revenue	6,627	5,052	1,575	29,894	20,460	9,434	45,720
Rock31 Room Rental Revenue	403	-	-	2,048	-	-	-
Rock31 Barista Rent Revenue	-	765	(765)	-	3,825	(3,825)	7,650
Grant Administration	28,574	417	28,157	46,290	2,917	43,373	5,000
Miscellaneous Revenue	-	-	-	4,138	4,470	(332)	4,470
Total Income	177,751	182,109	(4,358)	2,706,152	2,752,789	(46,637)	3,787,706
Gross Profit	177,751	182,109	(4,358)	2,706,152	2,752,789	(46,637)	3,787,706
Expense							
Salaries/Wages	126,429	148,898	(22,469)	972,051	1,042,287	(70,236)	1,786,778
Employer Contributions	44,761	47,385	(2,624)	309,275	331,694	(22,419)	568,619
Advertising	-	80	(80)	1,414	315	1,099	473
Barista Supplies	-	-	-	2,961	-	-	-
Building Operations/Maintenance	5,896	8,554	(2,658)	36,057	59,879	(23,822)	102,650
Contingency	-	5,000	(5,000)	-	35,000	(35,000)	60,000
Community Development Projects	-	-	-	7,946	-	7,946	35,000
Dues and Subscriptions	8,670	3,368	5,302	41,684	49,525	(7,841)	72,038
Event Expense	549	833	(284)	3,221	5,833	(2,612)	10,000
Insurance	3,902	2,672	1,230	24,690	22,279	2,411	35,639
Marketing	2,106	7,520	(5,414)	54,701	52,643	2,058	90,245
Office Equipment	1,157	2,000	(843)	4,700	6,500	(1,800)	10,000
Office Expense	1,896	2,042	(146)	36,032	15,493	20,539	25,701
Professional Fees	1,000	17,321	(16,321)	69,790	172,845	(103,055)	271,267
Property Tax Protests	(155)	-	(155)	12,320	34,141	(21,821)	34,141
PTAC Subcenter	26,791	37,233	(10,442)	205,137	260,631	(55,494)	446,796
Rent	1,050	-	1,050	24,307	1,300	23,007	2,100
Repairs	2,230	833	1,397	2,706	5,833	(3,127)	10,000
Special Assessments BID	-	-	-	1,900	1,900	-	3,800
Sponsorships	-	417	(417)	-	2,917	(2,917)	5,000
Staff/Board Expenses	450	-	450	578	-	578	-
Strategic Priorities	-	1,250	(1,250)	-	8,750	(8,750)	15,000
Suspense	121	-	-	(57)	-	-	-
TEDD	-	-	-	18	1,000	(982)	2,000
Telecommunications	4,244	3,914	330	27,780	27,065	715	46,635
Travel/Training	3,180	9,265	(6,085)	50,387	67,869	(17,482)	93,128
Miscellaneous	(1,417)	3,053	(4,470)	8,251	22,973	(14,722)	36,650
Total Expense	232,860	301,638	(68,778)	1,897,849	2,228,672	(330,823)	3,763,660
Net Ordinary Income	(55,109)	(119,529)	64,420	808,303	524,117	284,186	24,046

Big Sky EDA
Statements of Operations-Actual vs Budget
For the Month and YTD Ended January 31, 2023

	Jan 23	Budget	\$ Over Budget	Jul '22 - Jan 23	YTD Budget	\$ Over Budget	Annual Budget
Other Income/Expense							
Other Income							
Non-Operating Income							
Capital Campaign	-			100			
Contribution Revenue	-	-	-	60,300	-	60,300	-
Interest Income	2,109	1,022	1,087	5,843	7,157	(1,314)	12,269
Total Non-Operating Income	2,109	1,022	1,087	66,243	7,157	59,086	12,269
Total Other Income	2,109	1,022	1,087	66,243	7,157	59,086	12,269
Other Expense							
Non-Operating Expense							
Amortization Expense	110			751			
Depreciation Expense	20,602	18,820	1,782	113,609	131,737	(18,128)	225,835
Interest Expense	63			461			
Relocation/BSTSP Transformation	-	-	-	13,208	73,710	(60,502)	73,710
Total Non-Operating Expense	20,775	18,820	1,955	128,029	205,447	(77,418)	299,545
Total Other Expense	20,775	18,820	1,955	128,029	205,447	(77,418)	299,545
Net Other Income	(18,666)	(17,798)	(868)	(61,786)	(198,290)	136,504	(287,276)
Net Income	\$ (73,775)	\$ (137,327)	\$ 63,552	\$ 746,517	\$ 325,827	\$ 420,690	\$ (263,230)

Big Sky Economic Development Corporation
Financial Report for the Board of Directors
April 5, 2023

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDC as of January 31, 2023. Also included are statements of revenue and expenses for the month of January 2023 and the fiscal year to date as compared to budget.

Balance Sheet

Current assets totaled approximately \$1,715,000 at the end of January, an increase from approximately \$1,638,000 at the end of December. Accounts receivable increased from approximately \$107,000 to \$169,000. Accounts receivable consists of Capital Campaign pledges for the new building that carried over from FY22 (\$62,000), Member Investor pledges for FY22 (\$15,500), and Member Investor pledges for FY23 (\$51,500).

Other assets consist of Big Sky Finance loan portfolios. The portfolios are reported in the balance sheet with the current portion included in other current assets and the balance extending beyond a the fiscal year reported as other assets. The total RLF portfolio was \$215,000, the total SSBCI portfolio was \$815,000, the total Stabilization Loan portfolio was \$26,000, and the total Federal EDA RLF portfolio was \$644,000.

Accounts payable totaled approximately \$113,000 at the end of January. Due to/Due from EDA totaled approximately \$138,000 and represents the amount owed to EDA from EDC for November, December, and January reimbursements.

Statement of Revenue and Expenses

Loan origination revenue totaled approximately \$64,000 through January and was below budget by about \$70,000. The 504 loan servicing revenue is slightly below budget by approximately \$1,200 for the fiscal year to date and totaled approximately \$231,000 through January. Member investor revenue totaled approximately \$177,000, which was below budget by about \$34,000. Grant administration revenue for Big Sky EDC has not been recognized yet in FY23. Grant administration revenue will be derived from the administration of the Federal EDA RLF grant.

The Federal EDA RLF draw resulted in approximately \$172,000 in income related to the grant for the loan funds received. These funds are presented in the non-operating income/expense section of the income statement. Donation income/pledges during FY23 for the Big Sky to Sky Point Project are also presented as non-operating income and total approximately \$41,000 through January.

Most expenses remained under budget for the fiscal year to date through January. EDA Reimbursement was about \$17,000 more than budget. Marketing expenses were about \$8,000 over budget. A primary reason for this is due to increased expenses incurred for the move into the new building and hosting meetings.

For the first 7 months of the fiscal year, Big Sky EDC recognized net revenue of approximately \$114,000 compared to budgeted net income of about \$24,000 for the same period. When excluding non-operating revenues/expenses (Big Sky to Sky Point Pledges and Federal EDA RLF Grant funds), Big Sky EDC recognized net operating loss of approximately \$100,000 compared to budgeted net operating revenue of \$14,000).

Big Sky Economic Development Corporation
Balance Sheet Prev Year Comparison
As of January 31, 2023

	Jan 31, 23	Jan 31, 22	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
FIB x7262-EDC Main Operating	\$ 102,479	\$ 136,540	\$ (34,061)	(25%)
FIB - Long Term Reserve	250,000	250,000	-	0%
FIB x0222-OF/406 Impact	60,910	60,896	14	0%
FIB x0594-Coulson Park	76,546	76,528	18	0%
FIB x2242-Federal EDA RLF	213,094	193,960	19,134	10%
FIB - RLF	281,285	251,257	30,028	12%
FIB/Stockman - SSBCI Principal	473,177	978,676	(505,499)	(52%)
Total Checking/Savings	<u>1,457,491</u>	<u>1,947,857</u>	<u>(490,366)</u>	<u>(25%)</u>
Accounts Receivable				
Pledges Receivable	62,000	53,900	8,100	15%
Accounts Receivable	107,250	52,092	55,158	106%
Total Accounts Receivable	<u>169,250</u>	<u>105,992</u>	<u>63,258</u>	<u>60%</u>
Other Current Assets				
Prepaid Expenses	2,545	2,471	74	3%
Undeposited Funds	-	1,000	(1,000)	(100%)
Fed EDA RLF Portfolio - Current	33,422	99,796	(66,374)	(67%)
Stabilization Loans - Current	18,655	18,286	369	2%
RLF Portfolio - Current	13,953	15,493	(1,540)	(10%)
SSBCI Portfolio - Current	19,570	15,560	4,010	26%
Total Other Current Assets	<u>88,145</u>	<u>152,606</u>	<u>(64,461)</u>	<u>(42%)</u>
Total Current Assets	<u>1,714,886</u>	<u>2,206,455</u>	<u>(491,569)</u>	<u>(22%)</u>
Other Assets				
Fed EDA RLF - Non-Current	610,555	-	610,555	100%
Stabilization - Non-Current	7,506	52,018	(44,512)	(86%)
RLF Portfolio - Non-Current	200,949	225,131	(24,182)	(11%)
SSBCI Portfolio - Non-Current	795,368	588,055	207,313	35%
Allowance for Loan Losses	(23,856)	(21,626)	(2,230)	(10%)
Total Other Assets	<u>1,590,522</u>	<u>843,578</u>	<u>746,944</u>	<u>89%</u>
TOTAL ASSETS	<u><u>\$ 3,305,408</u></u>	<u><u>\$ 3,050,033</u></u>	<u><u>\$ 255,375</u></u>	<u><u>8%</u></u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	\$ 105,480	\$ 9,521	\$ 95,959	1,008%
Credit Cards	7,922	4,103	3,819	93%
Other Current Liabilities				
Accrued Expenses	44	13,109	(13,065)	(100%)
Deferred 504 Revenue	-	51,450	(51,450)	(100%)
Due to/Due From EDA	138,087	50,280	87,807	175%
Total Other Current Liabilities	<u>138,131</u>	<u>114,839</u>	<u>23,292</u>	<u>20%</u>
Total Current Liabilities	<u>251,533</u>	<u>128,463</u>	<u>123,070</u>	<u>96%</u>
Total Liabilities	251,533	128,463	123,070	96%
Equity				
Retained Earnings	2,939,820	2,870,030	69,790	2%
Net Income	114,055	51,540	62,515	121%
Total Equity	<u>3,053,875</u>	<u>2,921,570</u>	<u>132,305</u>	<u>5%</u>
TOTAL LIABILITIES & EQUITY	<u><u>\$ 3,305,408</u></u>	<u><u>\$ 3,050,033</u></u>	<u><u>\$ 255,375</u></u>	<u><u>8%</u></u>

Big Sky Economic Development Corporation
Statements of Operations-Actual vs Budget
For the Month and YTD Ended January 31, 2023

	Jan 23	Budget	\$ Over Budget	Jul '22 - Jan 23	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense							
Income							
504 Loan Origination	\$ -	\$ 19,167	\$ (19,167)	\$ 63,517	\$ 134,167	\$ (70,650)	\$ 230,000
504 Loan Servicing	33,462	33,050	412	230,115	231,353	(1,238)	396,605
Float Income	-	-	-	23,889	5,000	18,889	10,000
Member Investment	65,250	70,500	(5,250)	177,171	211,500	(34,329)	282,000
RLF Business Loan Interest	1,037	1,300	(263)	7,992	9,100	(1,108)	15,600
Stabilization Loan Interest	50	50	-	478	478	-	634
SSBCI Revenue	2,333	1,500	833	15,847	10,500	5,347	18,000
Grant Administration	-	4,167	(4,167)	-	29,167	(29,167)	50,000
Donation Income	-	-	-	600	-	-	-
Miscellaneous Income	4,498	1,969	2,529	34,913	13,783	21,130	38,628
Total Income	106,630	131,703	(25,073)	554,522	645,048	(90,526)	1,041,467
Gross Profit	106,630	131,703	(25,073)	554,522	645,048	(90,526)	1,041,467
Expense							
Business Accelerator	-	833	(833)	-	5,833	(5,833)	10,000
Business Recruitment	-	1,250	(1,250)	2,563	8,750	(6,187)	15,000
Contingency	-	833	(833)	-	5,833	(5,833)	10,000
Contribution Expense	-	-	-	53,300	-	-	-
Dues and Subscriptions	2,040	480	1,560	12,845	15,777	(2,932)	21,667
EDA Reimbursement	47,584	60,077	(12,493)	437,259	420,539	16,720	720,924
Events/Meetings	2,406	4,767	(2,361)	15,679	18,767	(3,088)	37,500
Insurance	881	921	(40)	6,172	7,647	(1,475)	12,250
Investment in Economic Activity	-	-	-	-	-	-	2,500
Loan Expenses	1,488	1,000	488	13,168	7,000	6,168	12,000
Marketing	3,750	2,625	1,125	26,997	18,775	8,222	32,578
Membership Development	174	1,100	(926)	1,303	7,700	(6,397)	13,200
Office Supplies	752	200	552	6,938	1,600	5,338	2,600
Postage	35	70	(35)	1,156	490	666	840
Professional Fees	-	9,533	(9,533)	33,604	68,183	(34,579)	89,850
R31 Outreach	-	-	-	1,715	-	1,715	-
Rent	416	340	76	2,994	5,111	(2,117)	6,809
Sponsorships	700	2,000	(1,300)	3,580	2,000	1,580	7,000
Staff/Board Expenses	318	567	(249)	7,273	3,967	3,306	13,650
Telephone	395	695	(300)	2,765	4,813	(2,048)	8,286
Travel & Training	6,102	1,575	4,527	23,090	26,928	(3,838)	36,798
Miscellaneous	(28)	207	(235)	1,696	1,625	71	2,661
Total Expense	67,013	89,073	(22,060)	654,097	631,338	22,759	1,056,113
Net Ordinary Income	39,617	42,630	(3,013)	(99,575)	13,710	(113,285)	(14,646)
Other Income/Expense							
Other Income							
Non-Operating Income							
BSTSP	0	-	-	41,000	-	-	-
Federal EDA RLF	1,385	-	-	171,577	-	-	-
Interest Income	182	1,500	(1,318)	1,053	10,500	(9,447)	18,000
Total Non-Operating Income	1,567	1,500	67	213,630	10,500	203,130	18,000
Total Other Income	-	-	-	-	-	-	-
Net Other Income	1,567	1,500	67	213,630	10,500	203,130	18,000
Net Income	\$ 41,184	\$ 44,130	\$ (2,946)	\$ 114,055	\$ 24,210	\$ 89,845	\$ 3,354



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT C

SBA 504 Loan Requests

I. Big Sky EDC is requesting approval to submit to the US Small Business Administration the following SBA 504 loan request. The Big Sky EDC Loan Committee has reviewed the request and recommends approval to the full EDC Board for submission to the SBA for final approval. The request meets all the underwriting and eligibility requirements of the EDC.

1. **Sidney Hardware Inc / SK Holdings LLC** – Loan was previously approved by the Big Sky EDC Board of Directors at the April 11, 2022, board meeting. Approval being requested at this time as scope of project has changed and approval was over one year ago.

Purpose of the request is for purchase of an existing building, equipment and renovations for Sidney ACE Hardware located in Sidney, MT. This will be a new ACE Hardware store in Sidney and is owned 100% by Skip King. Skip has purchased the former ShopKo building and renovations are being completed and most all final costs are now known. This will be Skip's first ACE Hardware store owned outside of Yellowstone County. Skip currently operates six other ACE Hardware stores in Yellowstone County. Big Sky Finance has participated in the financing of four of these stores utilizing the SBA 504 Loan program.

The total SBA debenture is estimated to be \$816,000 on a 25-year note comprising 40% of the total project costs. Big Sky EDC and the SBA will be in a 2nd lien position on the real and personal property behind First Interstate Bank. There are projected to be 18 new jobs created because of this project. The project meets a Public Policy goal for Rural Development.