

**Big Sky EDA/EDC
Executive Committee Agenda
April 3, 2024
7:00 AM to 9:00 AM**

Venture Conference Room (Lower Level 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 –Andy Gott, Nick Pancheau, Jennifer Kobza, Kim Jakub, Judi Powers

EDA –Riley Bennett, Debbie Desjarlais, Zach Dunn, Bryan Wood, Ken Lutton

7:00 A.M.— Call to Order – Riley Bennett, EDA Chair

Public Comments/Board Member and Staff Announcements

Agenda Changes

REGULAR AGENDA

A. Approval of EDA/EDC Minutes (5 minutes)

- March 6, 2024 Ex. Committee Meeting

(Attachment A) (Action)

B. Approval of EDA/EDC Financials (20 minutes)—Tami

- Approve February Financial Statements

(Attachment B) (Action)

- Updated FY '24 Budget Adjustments

(Info)

- Updated FY '25 Budget

(Info)

C. Executive Director Report—Steve (45 minutes)

- Strategic Priorities/Org Opportunities – Draft Concepts

(Handout) (Info)

Ex Committee Dialogue

- Review Quarterly Board Attendance

(Handout)

- SD2 School Safety Mill Levy Support

(Handout)

D. Program Action Items/Reports (40 minutes)

1. Big Sky Finance—SSBCI Loans Update – Brandon

(Info)

2. Engagement—BOiB Talent Attraction Analysis – DCI—Marcell

(Handout) (Action)

Consideration of Executive Session (as needed)

Public Comment

Adjourn

Next Executive Committee Meeting – May 1 (7:00 A.M. to 9:00 A.M.) Location-Venture Conference Room, 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.*



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A

The amount owed from Big Sky EDC for costs of salaries/wages/fringe benefits and building operations/maintenance for November, December, and January is \$205,608. We are working to address cash flow and budget cuts for Big Sky EDC.

EDC is in a net operating revenue position of approximately \$991 dollars. This is less than the YTD budgeted revenue by approximately \$1,000. BSEDC has a YTD revenue shortfall of approximately \$38,00 for the first 7 months of the fiscal year. BSEDC budgeted for growth of \$18,000 or approximately 13.5% over FY23 budgeted revenue for member investment. We will not meet these revenue goals in FY24. The 504-loan program has been negatively affected by outside factors, like high interest rate, which have also affected other lenders. Float income related to the 504 loan program's strong portfolio exceeds budget by approximately \$30,000. Additionally, we have realized more interest income from the Federal EDA RRL and SSBCI loan portfolios than what was budgeted. These positive variances help absorb some of the revenue shortfall. Most expenses on the Statement of Operations are also under budget. We anticipate BSEDC's revenues will come under budget by approximately \$100,00 for the fiscal year. The program leaders have identified several areas where budget adjustments may be made. WE have proposed preliminary budget cuts for expense line items that amount to approximately \$83,000. Steve and Tami will review the Due to/due from and make predications for May and approach the Board on how to reconcile. Brandon shared that in May, BSEDC will receive float income in an unknown amount. Brandon shared that we have received approximately \$49,000 in float income to date and anticipate ending at \$70,000 when the May float income is received.

Motion: Riley Bennett to approve the January financials as presented to the Executive Committee and forward to the Board for approval.

Second: Jen Kobza

Discussion: None

Motion: Carried

Steve and Tami also shared that they avoided a financial burden for next year. A meeting was held with the auditors regarding a proposal increase of 20-30%. Steve and Tami were able to reduce fees to only a 10% increase or \$5000. Brandon commended Tami for her helpfulness and work on the budget and shared that Tami met with him and went through budget items line by line as she begins preparation for the budget for the next fiscal year.

Executive Director Report-Steve

Staffing Update

Steve shared that we are near fully staffed with one vacancy in the Recruitment/Community Development Program. Regarding building capacity, we had planned to launch a new position to support our economic development programs, but that search has not yet begun.

Board Strategic Planning Objectives/Agenda

Steve reviewed the work that will be done during the Annual Board Planning session next week. Steve highlighted the objectives of the meeting including the following: Build common understanding of challenges and opportunities that influence the economic future of our community, encouraging a sense of "team" among the BSED board members and an understanding the significance of the BSED board in influencing the economic future of our community, Identify the Board's role in support our "organizational opportunities", and determine a first-draft list of proposed strategic priorities for FY '25-26. We will provide a summary of the impact survey results in the packet and provide an overview of survey results at the planning session. The Board planning session will include three panels that will share information with the Board regarding public safety, downtown redevelopment, and expectations for our future. The Board will also spend time getting to know one another and understand how to work together to accomplish responsibilities on the Board. Staff Planning will take place on March 7th. During Staff Planning we will discuss organizational opportunities to recognize and move toward executing our mission on a high level and will report out during the Board planning process. At the end of Board planning the goal is to have a first draft list of proposed Strategic Priorities. BSED's job will be to look internally in the next 60- 90 days and develop a final list of Strategic Priorities for the Board at the June Board meeting. The Board planning process will conclude at 4:00pm and we will transition to a reception immediately following.

Program Action Items/Reports

Big Sky MT SSBCI 2.0 Loan Requests-Brandon

I. Big Sky EDC Finance Department is requesting approval for the following SSBCI requests. The Big Sky EDA-RLF / SSBCI Loan Committee has reviewed the requests and recommends approval to the full EDC Board. The requests meet all the underwriting and eligibility requirements of the program.

1. **River Bend Investments, LLC (Newman Restoration & Cleaning)** – Request is for financing of the purchase of two commercial units to be utilized for Newman Restoration. Big Sky EDC is requesting \$340,000 of MT SSBCI funds to be used in participation with Stockman Bank. Newman Restoration currently leases space for their operations but will now be purchasing the existing condominium units as their lease will be coming due.

Total financing will be \$680,000. Big Sky EDC is partnering with Stockman Bank on a 50/50 basis. Big Sky is requesting \$340,000* of MT SSBCI funds and Stockman Bank will finance \$340,000. We will be in a shared 1st lien position on commercial real estate. MT SSBCI portion will be a 10-year note at 3.5% fixed rate. Financing will be contingent upon MT SSBCI approval of the overall request.

2. **Zarycki Property and Management, LLC (Serrano’s Mexican Restaurant)** – Request is for total project financing of \$200,000 for the refinance of a seller carry note coming due on the commercial real estate for Serrano’s Mexican Restaurant. The project is in East Glacier, MT, but the owners live here in Billings. This is a seasonal restaurant, open from May 1 through September 30. Borrowers have owned and operated the restaurant for five years.

Financing will consist of \$100,000 of Big Sky EDC’s existing SSBCI funds (previously approved for use by the BSED Board) matched with \$100,000* of requested funds from the MT SSBCI 2.0 program. Big Sky EDC’s note will be a 10-year note, amortized over 20 years, at 7.5% fixed. The new MT SSBCI 2.0 funds will be a 10-year note, amortized over 20 years, at 3.5% fixed. Big Sky EDC will be in a 1st lien position on the project commercial real estate.

*Big Sky Economic Development receives 50% of the repaid MT SSBCI 2.0 funds to be used for future lending purposes.

*Big Sky Economic Development will be assessed an annualized 0.25% service fee by the MT SSBCI 2.0 on a calendar quarter on the balances of all outstanding loans.

Motion: Jen Kobza to approve the Big Sky Finance-SSBCI Loan Requests for Riverbend and Serrano’s Mexican Restaurant as presented to the Executive Committee and forward to the Board for approval.

Second: Zach Dunn

Discussion: None

Motion: Carried

CD/Recruitment-Brownfields RLF Service Contract-Thom

Thom shared that the EPA Grant that funds the revolving loan fund, is in the setup process now. The next step is to hire a qualified environmental professional. A request for qualifications was released and five firms submitted proposals. The Brownfields Committee evaluated the proposals; Granite Peak was a lead candidate. The Committee interviewed the top three firms and reached consensus that Granite Peak is best qualified for this work as it has legitimate Brownfield experience in revolving loan funds. The Committee recommends Granite Peak as a qualified environmental professional. Granite Peak Environmental is also the QEP for the assessment grant.

Motion: Ken Lutton to approve the Brownfields RLF Service Contract as presented to the Executive Committee and forward to the Board for approval.

Second: Bryan Wood

Discussion: None

Motion: Carried

TrueSpace Update- Kayla

Kayla shared that the first TrueSpace cohort launched on February 22nd. Charles Fred, CEO was in house to facilitate. There was an exciting mix of businesses from manufacturing, graphic design, hospitality, and architecture. BSED received \$11,500 in scholarships funds from our generous sponsor throughout the community. BSED's initial investment for the accelerator was \$55,000 and eight businesses and eighteen attendees participated. We had two available seats and TrueSpace is collaborating with us to carry this over to the next cohort. Most of the businesses have taken their assessment and TrueSpace will review with each business. We are now moving forward in partnership with TrueSpace to help the businesses with next steps.

Recruitment Update-Ashley

Ashley shared a recruitment update including Q1-focus areas for 2024. Some of the areas of focus include retail (2nd largest industry) in Yellowstone County and exploring family destinations downtown, EBURD, and Heights. There has been a lot of activity since the SHOT show. The DOC has sent multiple inquiries to Billings and we have successfully gotten two. There are two new inquiries including Alpha Loading and Bristol. Last year at Select US we had the opportunity to meet with Groundline Engineering. Conversations are ongoing with Groundline regarding looking to expand to Billings and we are currently working with 5 co-ops. Groundline is coming to Montana to meet with co-ops and build relationships and we are hopeful they will expand to Montana. Ashley provided an update on the Rocky Vista University partnership including partnering with the zoo, Rocky Mountain College, and Yellowstone Vally Animal Shelter. RVU and YVAS have partnered together to ask the City Council to donate a portion of Wilson Park to create a dog park and RVU will run clinic. Wilson Park is currently used to dump snow. Air service has been a priority. Ashley shared that she attended the Mead and Hunt Conference last week in Arizona. 11 airlines were present, and Ashley had the opportunity to meet with all 11. From those meetings, Alaska Airlines, an existing partner to our airport, shared that they will transition Portland service from seasonal to daily year-round and Seattle will bump up to three flights per day. This is giving us the capacity that we used to have. Additionally, Delta started adding more seats to flights to and from Minneapolis and this was a result of competition from the investment from Sun Country. We are starting to see reduction in cost for flights to Denver and Phoenix and costs for Minneapolis flights will begin to decline with new service. The goal is to create competition to drive down prices. The number of seats in our market this summer is 18% higher than last summer. Ashley shared the specific ask for each conversation with all airlines-they know the goals towards which we are building. We are working toward mainline flights to Dallas, the east coast draw numbers are obvious as the numbers are there. We have talked about daily service to Chicago. We should start seeing an increase in seats and new flights to those markets. Alaska was most interested in applying for the SCASD grant for direct service to LA. Kim shared that Par Montana is now producing jet fuel which is creating competition to lower prices for our market. Ashley shared that we are putting together a newsletter regarding efforts and celebrating wins related to air service to share with the community. Ashley will add the Board members to the newsletter which will be distributed quarterly. Steve commended Ashley for getting up to speed on air service so quickly.

Executive Session:

None

Public Comment:

None

Adjourn:

Andy Gott adjourned the meeting at 8:45 am.

Next Meeting – April 3, 2024



BIG SKY
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ATTACHMENT B



**Big Sky Economic Development Authority (BSEDA)
Financial Summary for Board of Directors
FY24 - As of and for the period ended February 29, 2024**

Statement of Operations

Net Operating Revenue: \$ 755,554

Factors Driving Net Operating Revenue:

Factors contributing to the positive net operating revenue compared to budget are related to timing of receipt of county taxes mill levy revenue and vacancy savings of salaries/wages and employer contributions (fringe benefits). BSEDA has received 99% of the budgeted annual county taxes mill levy revenue, but we are only approximately 67% through the fiscal year. The effect on the financial statements is that it shows a positive change in net assets of approximately \$662,000. This is strictly a timing difference since the county taxes mill levy revenues are used over the entire year to cover expenses. BSEDA budgeted for a full complement of staff for FY24, but the vacant positions were not all filled until February. Budgeted salaries/wages and employer contributions for the first 8 months of the fiscal year are approximately \$1,715,000 whereas actual salaries/wages and employer contributions are approximately \$1,491,500. Therefore, vacancy savings amount to \$223,500. These explanations provide reasonable assessment of current net operating revenue.

Notable budget variances:

- Salaries/Wages \$164,000 less than YTD budget
- Employer Contributions \$ 60,000 less than YTD budget
- Dues/Subscriptions/Memberships \$ 17,000 over YTD budget
- Office Equip & Furn <\$5000 \$ 11,400 over YTD budget
- Professional Fees (Consulting) \$ 23,300 less than YTD budget
- Professional Fees (Other) \$ 13,300 less than YTD budget

Areas to watch:

The areas to watch are consistent with what was communicated in the financial summary provided for the March Executive Committee and Board packets. BSEDA program leaders are each reviewing their program activity related to dues/subscriptions/memberships to ensure we have a good picture of what to expect as we continue planning next year's budget. Some of the variance is due to timing since the YTD budget was annualized and several annual subscriptions were paid in the first half of the fiscal year. However, we expect to end the year spending more than what was budgeted for dues/subscriptions/memberships as we are utilizing a new CRM system that will benefit all of the non-federal programs of the organization. Additionally, we will be sending a team, including two Board members and three BSED senior leaders, to the Aspirational City Visit in June that will add spending to what was budgeted for travel and conferences. And, finally, we are working on a talent research and workshop project to further the mission of our organization. The vacancy savings realized during the 8 months of the fiscal year have put us in a good position to take on these new projects/program initiatives.

Balance Sheet

Cash available for operations: \$1,358,983
Accounts receivable: \$324,477
Due from EDC: \$262,125

Operating cash is deemed to be all of the checking/savings line items on the balance sheet aside from the opportunity fund bank accounts and CDs. A portion of the operating cash has been set aside as reserves for operations and reserves for repair and replacement. The amount set aside as reserves is \$387,242. BSEDA's cash position is good and sufficient to meet the needs of the organization.



The accounts receivable balances outstanding at February 29, 2024 consist of a couple balances that are aged more than 90 days (VBOC and Big Sky EDC). VBOC currently has four months outstanding, and the program director is contacting the federal agency to determine when we will receive payment.

The amount owed from Big Sky EDC is for costs of salaries/wages/fringe benefits and building operations/maintenance for November, December, January, and February is \$262,125 and is reported as due from EDC on the balance sheet. This is an area of concern that we need to act on by working through cash flows and budget cuts for Big Sky EDC. The immediate course of action is to make a minimum payment of \$15,000 each month on the outstanding balance.

Big Sky EDA
Statements of Operations-Actual vs Budget
For the Month and YTD Ended February 29, 2024

	Month			YTD	Fiscal Year	
	Actual	Budget	Variance	Actual	Annual Budget	% Budget Used to Date
Operating Revenue						
County Taxes Mill Levy Revenue	\$ 746	\$ -	\$ 746	\$ 1,463,051	\$ 1,476,001	
Entitlement	-	-	-	134,333	268,665	
Health Ins Mill Levy Revenue	8,480	10,825	(2,345)	62,010	110,240	
Recovery of Protested Taxes	-	-	-	-	1,000	
Department of Defense - APEX	71,878	73,348	(1,470)	542,960	880,171	
EDC Reimbursement	69,076	64,740	4,336	537,268	794,476	
EPA Brownfields - Assessment	13,440	25,237	(11,797)	91,918	302,841	
EPA Brownfields - Grant Admin	-	-	-	12,823	30,492	
EPA Brownfields - RLF	36	-	-	235	-	
APEX Advisor Agreement Support	3,000	3,000	-	24,000	36,000	
MT Dept of Commerce - SBDC	11,250	11,250	-	102,815	135,000	
SBDC Program Income	42,000	-	42,000	42,000	-	
SBA - VBOC	17,002	25,417	(8,415)	121,528	305,000	
Rock31 Membership Revenue	7,354	6,250	1,104	59,764	75,000	
Zoot/Other Room Rent Revenue	453	417	36	4,998	5,000	
Rock31 Barista Rent Revenue	625	700	(75)	4,825	8,400	
Grant Administration	9,125	-	9,125	23,070	9,000	
Total Operating Revenue	254,465	221,184	33,281	3,227,598	4,437,286	73.00%
Operating Expense						
Salaries/Wages	157,283	170,503	(13,220)	1,141,813	1,987,806	
Employer Contributions	51,602	53,782	(2,180)	349,735	605,895	
Advertising	20	117	(97)	1,790	1,400	
Barista Equipment Maintenance	107	208	(101)	576	2,500	
Barista Supplies	-	42	(42)	-	500	
Board Expenses	1,908	83	1,825	4,234	6,000	
Brownfields Assessment Expense	13,440	25,209	(11,769)	91,918	302,841	
Brownfields Grant Admin Expense	-	2,541	(2,541)	12,823	30,492	
Brownfields RLF Expense	36	-	-	235	-	
Building Art and Decor	2,612	-	2,612	3,490	10,000	
Building Operations/Maintenance	10,969	8,698	2,271	70,410	96,200	
Community Development Projects	(500)	(4,249)	3,749	957	49,667	
Conferences	1,600	5,656	(4,056)	18,581	28,400	
Contingency	-	-	-	-	50,000	
Contribution Expense	-	-	-	3,333	-	
Dues/Subscriptions/Memberships	2,841	2,984	(143)	74,827	70,145	
Event Expense	344	-	344	15,565	-	
Hosted Meetings	1,025	494	531	6,231	5,650	
Insurance	4,921	6,275	(1,354)	38,157	71,630	
Marketing	5,316	7,708	(2,392)	49,729	94,075	
Office Equip & Furn < \$5000	1,620	833	787	20,116	12,084	
Office Expense and Supplies	2,368	2,411	(43)	16,928	28,932	
Professional Development	2,283	2,725	(442)	7,838	33,700	
Professional Fees	500	6,667	(6,167)	51,274	114,500	
Property Tax Protests	-	3,750	(3,750)	19,501	45,000	
APEX Subcenter	39,073	46,547	(7,474)	291,518	558,569	

Big Sky EDA
Statements of Operations-Actual vs Budget
For the Month and YTD Ended February 29, 2024

	Month			YTD	Fiscal Year	
	Actual	Budget	Variance	Actual	Annual Budget	% Budget Used to Date
Rent	1,035	1,994	(959)	7,305	22,599	
Repairs	156	950	(794)	8,741	11,400	
Rock 31 Outreach	-	417	(417)	-	5,000	
SBDC Program Expense	30,389			57,889		
Special Assessments BID	-	-	-	1,901	2,500	
Sponsorships	1,312	833	479	7,802	11,000	
Staff Expenses	2,720	825	1,895	8,198	14,700	
Strategic Priorities	-	-	-	250	15,000	
Suspense	3,731	-	3,731	(74)	-	
TEDD	-	-	-	-	1,000	
Telecommunications	4,540	4,916	(376)	34,620	56,425	
Travel	4,313	5,667	(1,354)	49,000	77,675	
Miscellaneous	346	108	238	4,833	3,000	
Total Operating Expense	347,910	358,694	(10,784)	2,472,044	4,426,285	56.00%
Net Operating Revenue (Expense)	(93,445)	(137,510)	44,065	755,554	11,001	
Non-Operating Income and Expense						
Non-Operating Income	11,874	2,083	9,791	82,309	25,000	
Non-Operating Expense	21,958	23,164	(1,206)	175,640	263,436	
Net Non-Operating Income (Expense)	(10,084)	(21,081)	10,997	(93,331)	(238,436)	
Change in Net Assets	\$ (103,529)	\$ (158,591)	\$ 55,062	\$ 662,223	\$ (227,435)	

Big Sky EDA
Statement of Operations by Class
July 2023 through February 2024

	Admin	Central Svcs	Engagement	Comm Dev	Finance	Mem-Invt	Recruitment	APEX Accelerator	Rock31	SBDC	VBOC	Workforce	TOTAL
Operating Revenue													
County Taxes Mill Levy Revenue	\$ 1,463,051	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,463,051
Entitlement	134,333	-	-	-	-	-	-	-	-	-	-	-	134,333
Health Ins Mill Levy Revenue	-	16,960	7,420	9,275	-	4,240	6,095	8,480	-	8,480	-	1,060	62,010
Department of Defense - APEX	-	-	-	-	-	-	-	542,960	-	-	-	-	542,960
EDC Reimbursement	-	56,789	69,137	-	367,675	43,667	-	-	-	-	-	-	537,268
EPA Brownfields - Assessment	-	-	-	91,918	-	-	-	-	-	-	-	-	91,918
EPA Brownfields - Grant Admin	-	-	-	12,823	-	-	-	-	-	-	-	-	12,823
EPA Brownfields - RLF	-	-	-	235	-	-	-	-	-	-	-	-	235
APEX Advisor Agreement Support	-	-	-	-	-	-	-	24,000	-	-	-	-	24,000
MT Dept of Commerce - SBDC	-	-	-	-	-	-	-	-	-	102,815	-	-	102,815
SBDC Program Income	-	-	-	-	-	-	-	-	-	42,000	-	-	42,000
SBA - VBOC	-	-	-	-	-	-	-	-	-	-	121,528	-	121,528
Rock31 Membership Revenue	-	-	-	-	-	-	-	-	59,764	-	-	-	59,764
Zoot/Other Room Rent Revenue	-	-	-	-	-	-	-	-	4,998	-	-	-	4,998
Rock31 Barista Rent Revenue	-	-	-	-	-	-	-	-	4,825	-	-	-	4,825
Grant Administration	-	-	-	-	-	-	-	-	-	23,070	-	-	23,070
Total Operating Revenue	1,597,384	73,749	76,557	114,251	367,675	47,907	6,095	575,440	69,587	176,365	121,528	1,060	3,227,598
Operating Expense													
Salaries/Wages	-	258,049	91,205	125,253	245,737	60,289	33,110	144,435	18,083	92,049	56,232	17,371	1,141,813
Employer Contributions	-	74,461	28,353	41,108	76,031	17,587	11,027	46,134	3,872	30,317	16,038	4,807	349,735
Advertising	-	275	-	-	-	-	-	1,500	-	2	13	-	1,790
Barista Equipment Maintenance	-	-	-	-	-	-	-	-	576	-	-	-	576
Board Expenses	-	4,234	-	-	-	-	-	-	-	-	-	-	4,234
Brownfields Assessment Expense	-	-	-	91,918	-	-	-	-	-	-	-	-	91,918
Brownfields Grant Admin Expense	-	-	-	12,823	-	-	-	-	-	-	-	-	12,823
Brownfields RLF Expense	-	-	-	235	-	-	-	-	-	-	-	-	235
Building Art and Decor	-	-	3,490	-	-	-	-	-	-	-	-	-	3,490
Building Operations/Maintenance	-	9,959	4,851	4,232	10,232	2,106	3,001	4,277	23,832	3,596	3,787	538	70,411
Community Development Projects	-	-	-	957	-	-	-	-	-	-	-	-	957
Conferences	-	2,616	630	200	-	-	6,449	8,100	-	490	35	60	18,580
Contribution Expense	-	-	-	-	-	-	3,333	-	-	-	-	-	3,333
Dues/Subscriptions/Memberships	-	57,867	2,263	1,098	-	-	305	9,075	2,668	1,437	60	54	74,827
Event Expense	-	-	11,269	-	-	-	-	915	1,761	662	925	32	15,564
Hosted Meetings	-	4,190	212	239	-	-	176	79	13	790	42	490	6,231
Insurance	-	4,842	2,854	2,448	6,036	1,235	1,778	2,502	11,628	2,179	2,379	276	38,157
Marketing	-	-	34,961	200	-	-	-	12,720	-	-	301	1,547	49,729
Office Equip & Furn < \$5000	-	11,592	-	-	-	-	510	4,939	1,355	-	1,720	-	20,116
Office Expense and Supplies	-	12,772	376	-	-	-	54	797	2,612	185	131	-	16,927
Professional Development	-	941	1,518	2,000	-	-	1,006	1,138	105	180	-	950	7,838
Professional Fees	-	51,270	-	5	-	-	-	-	-	-	-	-	51,275
Property Tax Protests	19,501	-	-	-	-	-	-	-	-	-	-	-	19,501
APEX Subcenter	-	-	-	-	-	-	-	291,518	-	-	-	-	291,518
Rent	-	796	681	1,021	1,613	341	449	362	591	681	681	90	7,306
Repairs	-	8,741	-	-	-	-	-	-	-	-	-	-	8,741
SBDC Program Expense	-	-	-	-	-	-	-	-	-	57,889	-	-	57,889
Special Assessments BID	-	1,901	-	-	-	-	-	-	-	-	-	-	1,901
Sponsorships	-	620	5,382	-	-	-	-	-	300	-	-	1,500	7,802
Staff Expenses	-	4,020	3,848	12	-	-	-	255	-	62	-	-	8,197
Strategic Priorities	-	250	-	-	-	-	-	-	-	-	-	-	250
Suspense	-	-	-	-	-	-	-	-	-	-	(74)	-	(74)
Telecommunications	-	5,720	2,271	2,610	3,970	817	1,414	3,779	9,405	2,316	1,988	330	34,620
Travel	-	3,442	654	1,631	-	-	5,114	11,963	286	7,102	14,411	4,398	49,001
VBOC Indirect Cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	55	2,463	137	-	-	-	-	81	2,086	-	-	11	4,833
Total Operating Expense	19,556	521,021	194,955	287,990	343,619	82,375	67,726	544,569	79,173	199,937	98,669	32,454	2,472,044
Net Operating Revenue (Expense)	1,577,828	(447,272)	(118,398)	(173,739)	24,056	(34,468)	(61,631)	30,871	(9,586)	(23,572)	22,859	(31,394)	755,554

Big Sky EDA
Statement of Operations by Class
July 2023 through February 2024

	Admin	Central Svcs	Engagement	Comm Dev	Finance	Mem-Invt	Recruitment	APEX Accelerator	Rock31	SBDC	VBOC	Workforce	TOTAL
Non-Operating Income and Expense													
Non-Operating Income	41,268	41,041	-	-	-	-	-	-	-	-	-	-	82,309
Non-Operating Expense	-	25,845	11,744	10,264	25,223	5,193	7,397	10,542	58,940	8,860	9,375	2,257	175,640
Net Non-Operating Income (Expense)	<u>41,268</u>	<u>15,196</u>	<u>(11,744)</u>	<u>(10,264)</u>	<u>(25,223)</u>	<u>(5,193)</u>	<u>(7,397)</u>	<u>(10,542)</u>	<u>(58,940)</u>	<u>(8,860)</u>	<u>(9,375)</u>	<u>(2,257)</u>	<u>(93,331)</u>
Change in Net Assets	<u>\$ 1,619,096</u>	<u>\$ (432,076)</u>	<u>\$ (130,142)</u>	<u>\$ (184,003)</u>	<u>\$ (1,167)</u>	<u>\$ (39,661)</u>	<u>\$ (69,028)</u>	<u>\$ 20,329</u>	<u>\$ (68,526)</u>	<u>\$ (32,432)</u>	<u>\$ 13,484</u>	<u>\$ (33,651)</u>	<u>\$ 662,223</u>

Big Sky EDA
Balance Sheet - Comparison with Previous Year
As of February 29, 2024

	February 29, 2024	February 28, 2023	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Main Operating - FIB	\$ 498,613	\$ 211,298	\$ 287,315	136%
Recovered Property Taxes - FIB	627	626	1	0%
Operating Reserve - FIB	252,540	64,466	188,074	292%
Reserve for Replacement - FIB	134,702	60,333	74,369	123%
Opportunity Fund Bank Accounts	1,136,885	737,379	399,506	54%
Opportunity Fund CDs-current	2,067,151	1,735,672	331,479	19%
Yellowstone County Funds	472,501	488,517	(16,016)	(3%)
Total Checking/Savings	4,563,019	3,298,291	1,264,728	38%
Accounts Receivable				
Accounts Receivable	85,327	414,310	(328,983)	(79%)
Accounts Receivable - APEX	135,492	148,574	(13,082)	(9%)
Accounts Receivable - SBDC	46,565	22,500	24,065	107%
Accounts Receivable - VBOC	43,617	71,489	(27,872)	(39%)
Accounts Receivable-Brownfields	13,476	-	13,476	100%
Total Accounts Receivable	324,477	656,873	(332,396)	(51%)
Other Current Assets				
Due To/Due From EDC	262,125	-	262,125	100%
Tax Levy Receivable	597,621	550,266	47,355	9%
Tax Levy Receivable - Protested	22,623	12,377	10,246	83%
Allowance for Doubtful Accts	(22,623)	(12,377)	(10,246)	(83%)
American Airlines Rev Guarantee	6,887	6,887	-	0%
Prepaid Expenses	21,458	14,334	7,124	50%
Undeposited Funds	10,000	-	10,000	100%
Total Other Current Assets	898,091	571,487	326,604	57%
Total Current Assets	5,785,587	4,526,651	1,258,936	28%
Fixed Assets				
Construction in Progress	-	5,003,014	(5,003,014)	(100%)
Bank Building - Land	301,750	301,750	-	0%
Bank Building - Building	6,303,890	1,473,250	4,830,640	328%
Furniture	227,169	-	227,169	100%
Equipment	6,700	-	6,700	100%
Barista Equipment	12,000	12,000	-	0%
Accumulated Depreciation	(431,531)	(181,431)	(250,100)	(138%)
Total Fixed Assets	6,419,978	6,608,583	(188,605)	(3%)
Other Assets				
Deferred Outflow of Resources	90,930	129,336	(38,406)	(30%)
Opportunity Fund CDs-Noncurrent	-	642,380	(642,380)	(100%)
Deposit	173	173	-	0%
Cabelas Conduit x0603	4,897	260	4,637	1,783%
Right of Use Asset	5,720	7,129	(1,409)	(20%)
Total Other Assets	101,720	779,278	(677,558)	(87%)
TOTAL ASSETS	\$ 12,307,285	\$ 11,914,512	\$ 392,773	3%

Big Sky EDA
Balance Sheet - Comparison with Previous Year
As of February 29, 2024

	February 29, 2024	February 28, 2023	\$ Change	% Change
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	\$ 112,844	\$ 78,699	\$ 34,145	43%
Credit Cards	20,089	6,585	13,504	205%
Other Current Liabilities				
Accrued Expenses	119,967	77,272	42,695	55%
Compensated Absences	164,112	148,093	16,019	11%
Payroll Liabilities	(11)	(140)	129	92%
Deferred Revenues	12,000	15,000	(3,000)	(20%)
Total Other Current Liabilities	296,068	240,225	55,843	23%
Total Current Liabilities	429,001	325,509	103,492	32%
Long Term Liabilities				
Deferred Inflow of Resources	204,425	386,724	(182,299)	(47%)
Pension Liability	628,001	563,223	64,778	12%
Lease Liability	5,721	7,129	(1,408)	(20%)
Total Long Term Liabilities	838,147	957,076	(118,929)	(12%)
Total Liabilities	1,267,148	1,282,585	(15,437)	(1%)
Equity				
Net Assets	7,666,804	7,242,523	424,281	6%
Contributed Capital	3,193,580	3,193,580	-	0%
Prior Period Adjustment	(482,470)	(482,470)	-	0%
Change in Net Assets	662,223	678,294	(16,071)	(2%)
Total Equity	11,040,137	10,631,927	408,210	4%
TOTAL LIABILITIES & EQUITY	\$ 12,307,285	\$ 11,914,512	\$ 392,773	3%



**Big Sky Economic Development Corporation (BSEDC)
Financial Summary for Board of Directors
FY24 - As of and for the period ended February 29, 2024**

Statement of Operations

Net Operating Expense: \$ 35,638

Factors Driving Net Operating Expense:

Factors contributing to the net operating expense compared to the original approved budget are related to revenue shortfalls of approximately \$80,000 for the first 8 months of the fiscal year. BSEDC budgeted for growth of \$18,000 or approximately 9% over FY23 budgeted revenue for 504 loan origination revenue. BSEDC also budgeted for growth of \$36,000 or approximately 13.5% over FY23 budgeted revenue for member investment. We will not meet these revenue goals in FY24. The 504 loan program has been negatively affected by outside factors, like high interest rates, which have also affected other lenders.

There were other revenue line items that were underbudgeted for FY24. Float income, which is related to the 504 loan program's strong portfolio, exceeds the budget by approximately \$30,000. Additionally, we have realized more interest income from the Federal EDA RLF and SSBCI loan portfolios than what was budgeted. These positive variances help absorb some of the revenue shortfall. Most of the expenses on the Statement of Operations are also under budget as of February 29, 2024.

Notable budget variances:

- 504 Loan Origination \$109,400 less than YTD budget
- Float Income \$ 38,000 more than YTD budget
- Federal EDA RLF Loan Interest \$ 14,600 more than YTD budget
- SSBCI Loan Interest \$ 5,400 more than YTD budget
- Professional Fees (Consulting) \$ 11,000 less than YTD budget

Areas to watch:

Information has been gathered to use for year-end revenue and expense projections and budget adjustments. We anticipate BSEDC's revenues will come in under budget by approximately \$100,000 for the fiscal year. The management team and program leaders have identified several areas where budget adjustments will be made. We will provide proposed budget cuts for expense line items that amount to approximately \$100,000 at the May Executive Committee and Board meetings.

Balance Sheet

Cash available for general operations: \$360,152

Cash designated for loan programs: \$1,152,990

Accounts receivable: \$76,000

Pledges receivable: \$2,500

Loan portfolios: \$2,764,940

Accounts payable: \$41,002

Due to EDA: \$262,125

General operating cash consists of FIB main operating checking and long term reserve bank accounts. BSEDC's cash position for general operations has not been sufficient to cover the full cost of the amount BSEDC owes BSEDA for the cost of employees and building operations and maintenance. Because of this, the amount outstanding from BSEDC for November, December, January, and February is \$262,125 and is reflected in the due to/due from EDA line on the balance sheet. Factors contributing to this are related to the 504 loan origination revenue and member investment shortfalls noted above. Additionally, the cash flows have been affected by slow pay of some member investment pledges. However, as of March 31, 2024 we have collected additional payments of \$43,500 on outstanding accounts receivable balances bringing the remaining unpaid balance to \$32,500.

Big Sky Economic Development Corporation
Statement of Operations - Actual vs Budget
For the Month and YTD Ended February 29, 2024

	Month			YTD	Fiscal Year	
	Actual	Budget	Variance	Actual	Annual Budget	% Budget Used to Date
Operating Revenue						
504 Loan Servicing	\$ 33,213	\$ 33,942	\$ (729)	\$ 270,838	\$ 425,000	
504 Loan Origination	-	2,823	(2,823)	22,585	198,000	
504 Loan Processing Fee Income	-	2,083	(2,083)	20,461	25,000	
504 Loan Closing Attorney Fees	-	1,042	(1,042)	7,500	25,000	
Federal EDA RLF Loan Orig	-	-	-	750	2,500	
Float Income	-	-	-	49,632	20,000	
Member Investment	1,500	-	1,500	179,700	302,000	
Member Investment - Trades	418	-	418	8,136	6,500	
Federal EDA RLF Loan Interest	9,018	7,000	2,018	49,330	52,000	
RLF Business Loan Interest	884	883	1	7,332	12,000	
Stabilization Loan Interest	-	-	-	14	18	
SSBCI Loan Interest	2,049	2,250	(201)	17,406	18,000	
Grant Administration	-	-	-	2,853	7,500	
Donation Income	-	-	-	10,250	-	
Total Operating Revenue	47,082	50,023	(2,941)	646,787	1,093,518	59.00%
Operating Expense						
Advertising	-	-	-	-	200	
Board Expenses	-	42	(42)	565	1,000	
Business Accelerator	-	-	-	-	10,000	
Business Development Outreach	65	79	(14)	248	500	
Business Recruitment and Expans	-	542	(542)	8,071	17,000	
Conferences	-	800	(800)	310	4,000	
Contingency	-	-	-	-	10,000	
Dues/Subscriptions/Memberships	2,806	2,681	125	15,385	21,560	
EDA Reimbursement	69,076	66,269	2,807	537,269	794,476	
Event Expense	2,615	1,733	882	18,108	28,890	
Hosted Meeting Expense	95	828	(733)	3,218	8,400	
Insurance	1,312	950	362	7,556	11,250	
Loan Expenses	4,774	747	4,027	8,039	18,000	
Marketing	-	1,433	(1,433)	12,869	31,000	
Membership Development	242	-	242	1,670	8,500	
Member Investor Trades	418	-	418	8,136	6,500	
Office Equip & Furn < \$5000	-	-	-	329	-	
Office Expenses and Supplies	-	92	(92)	507	650	
Postage	-	8	(8)	3	150	
Professional Development	1,199	1,167	32	5,891	6,500	
Professional Fees						
Accounting	-	-	-	21,000	22,000	
Consulting	-	-	-	-	17,000	
Legal Fees	-	-	-	1,600	3,150	
Attorney Fees - 504 Closing	-	1,042	(1,042)	8,000	25,000	
Total Professional Fees	-	1,042	(1,042)	30,600	67,150	
Rent	193	193	-	2,571	6,000	
Rock31 Outreach	-	333	(333)	-	3,000	
Sponsorships	-	-	-	-	2,150	
Staff Expenses	-	83	(83)	983	1,250	
Telecommunications	270	205	65	1,965	4,020	
Travel	1,703	2,917	(1,214)	17,114	27,000	
Miscellaneous	185	120	65	1,018	900	
Total Operating Expense	84,953	82,264	2,689	682,425	1,090,046	63.00%
Net Operating Revenue (Expense)	(37,871)	(32,241)	(5,630)	(35,638)	3,472	

Big Sky Economic Development Corporation
Statement of Operations - Actual vs Budget
For the Month and YTD Ended February 29, 2024

	Month			YTD	Fiscal Year	
	Actual	Budget	Variance	Actual	Annual Budget	% Budget Used to Date
Non-Operating Income/Expense						
Non-Operating Income						
Coulson Park	-	-	-	25,000	-	
Federal Grant Revenue	-	-	-	718,087	585,000	
Interest Income	200	158	42	1,526	1,900	
Total Non-Operating Income	200	158	42	744,613	586,900	
Non-Operating Expense						
Bad Debt Expense	1,500	-	1,500	6,500	15,000	
Total Non-Operating Expense	1,500	-	1,500	6,500	15,000	
Net Non-Operating Income (Expense)	(1,300)	158	(1,458)	738,113	571,900	
Change in Net Assets	\$ (39,171)	\$ (32,083)	\$ (7,088)	\$ 702,475	\$ 575,372	

Big Sky Economic Development Corporation
Statement of Operations by Class
July 2023 through February 2024

	<u>Coulson Park</u>	<u>Engagement</u>	<u>Finance</u>	<u>G&A</u>	<u>Mem-Invt</u>	<u>Recruitment</u>	<u>Rock31</u>	<u>Workforce</u>	<u>TOTAL</u>
Operating Revenue									
504 Loan Servicing	\$ -	\$ -	\$ 270,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 270,838
504 Loan Origination	-	-	22,585	-	-	-	-	-	22,585
504 Loan Processing Fee Income	-	-	20,461	-	-	-	-	-	20,461
504 Loan Closing Attorney Fees	-	-	7,500	-	-	-	-	-	7,500
Federal EDA RLF Loan Orig	-	-	750	-	-	-	-	-	750
Float Income	-	-	49,632	-	-	-	-	-	49,632
Member Investment	-	-	-	-	179,700	-	-	-	179,700
Member Investment - Trades	-	-	-	-	8,136	-	-	-	8,136
Federal EDA RLF Loan Interest	-	-	49,330	-	-	-	-	-	49,330
RLF Business Loan Interest	-	-	7,332	-	-	-	-	-	7,332
Stabilization Loan Interest	-	-	14	-	-	-	-	-	14
SSBCI Loan Interest	-	-	17,406	-	-	-	-	-	17,406
Grant Administration	-	-	2,853	-	-	-	-	-	2,853
Donation Income	-	-	-	250	-	-	-	10,000	10,250
Total Operating Revenue	-	-	448,701	250	187,836	-	-	10,000	646,787
Operating Expense									
Board Expenses	-	-	-	565	-	-	-	-	565
Business Development Outreach	-	-	248	-	-	-	-	-	248
Business Recruitment and Expans	-	-	-	-	-	8,071	-	-	8,071
Conferences	-	-	215	-	60	35	-	-	310
Dues/Subscriptions/Memberships	-	-	15,060	325	-	-	-	-	15,385
EDA Reimbursement	-	69,137	367,678	56,790	43,664	-	-	-	537,269
Event Expense	-	12,493	2,637	2,197	-	-	723	58	18,108
Hosted Meeting Expense	-	35	115	166	13	2,889	-	-	3,218
Insurance	-	-	-	7,556	-	-	-	-	7,556
Loan Expenses	-	-	8,039	-	-	-	-	-	8,039
Marketing	-	12,297	56	-	-	-	-	516	12,869
Membership Development	-	-	-	-	1,670	-	-	-	1,670
Member Investor Trades	-	-	-	-	8,136	-	-	-	8,136
Office Equip & Furn < \$5000	-	-	329	-	-	-	-	-	329
Office Expenses and Supplies	-	-	351	156	-	-	-	-	507
Postage	-	-	-	3	-	-	-	-	3
Professional Development	-	-	5,091	-	800	-	-	-	5,891
Professional Fees	-	-	9,342	21,000	-	258	-	-	30,600
Rent	-	-	2,571	-	-	-	-	-	2,571
Staff Expenses	-	821	127	35	-	-	-	-	983
Telecommunications	-	600	520	-	520	325	-	-	1,965
Travel	-	4,110	11,174	-	888	882	-	60	17,114
Miscellaneous	-	9	566	7	436	-	-	-	1,018
Total Operating Expense	-	99,502	424,119	88,800	56,187	12,460	723	634	682,425
Net Operating Revenue (Expense)	-	(99,502)	24,582	(88,550)	131,649	(12,460)	(723)	9,366	(35,638)

Big Sky Economic Development Corporation
Statement of Operations by Class
July 2023 through February 2024

	<u>Coulson Park</u>	<u>Engagement</u>	<u>Finance</u>	<u>G&A</u>	<u>Mem-Invt</u>	<u>Recruitment</u>	<u>Rock31</u>	<u>Workforce</u>	<u>TOTAL</u>
Non-Operating Income and Expense									
Non-Operating Income	25,000	-	719,556	57	-	-	-	-	744,613
Non-Operating Expense	-	-	-	-	6,500	-	-	-	6,500
Net Non-Operating Income (Expense)	<u>25,000</u>	<u>-</u>	<u>719,556</u>	<u>57</u>	<u>(6,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>738,113</u>
Change in Net Assets	<u>\$ 25,000</u>	<u>\$ (99,502)</u>	<u>\$ 744,138</u>	<u>\$ (88,493)</u>	<u>\$ 125,149</u>	<u>\$ (12,460)</u>	<u>\$ (723)</u>	<u>\$ 9,366</u>	<u>\$ 702,475</u>

Big Sky Economic Development Corporation
Balance Sheet - Previous Year Comparison
As of February 29, 2024

	February 29, 2024	February 28, 2023	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
FIB Main Operating	\$ 110,152	\$ 165,129	\$ (54,977)	(33%)
FIB x0594-Coulson Park	111,599	76,549	35,050	46%
FIB/Stockman - SSBCI Principal	569,483	481,864	87,619	18%
FIB - Long Term Reserve	250,000	250,000	-	0%
FIB - Opportunity Fund	60,943	60,913	30	0%
FIB - Federal EDA RLF	253,034	221,750	31,284	14%
FIB - RLF	330,473	285,050	45,423	16%
Total Checking/Savings	1,685,684	1,541,255	144,429	9%
Accounts Receivable				
Pledges Receivable	2,500	7,500	(5,000)	(67%)
Accounts Receivable	76,000	67,500	8,500	13%
Total Accounts Receivable	78,500	75,000	3,500	5%
Other Current Assets				
Undeposited Funds	2,500	7,750	(5,250)	(68%)
Fed EDA RLF Portfolio - Current	77,310	27,848	49,462	178%
RLF Portfolio - Current	11,882	11,344	538	5%
SSBCI Portfolio - Current	15,718	16,990	(1,272)	(7%)
Stabilization - Current	1,534	14,936	(13,402)	(90%)
Prepaid Expenses	12,565	-	12,565	100%
Total Other Current Assets	121,509	78,868	42,641	54%
Total Current Assets	1,885,693	1,695,123	190,570	11%
Other Assets				
Fed EDA RLF - Non-Current	1,735,789	610,555	1,125,234	184%
RLF Portfolio - Non-Current	167,999	200,949	(32,950)	(16%)
SSBCI Portfolio - Non-Current	754,708	795,368	(40,660)	(5%)
Stabilization - Non-Current	-	7,506	(7,506)	(100%)
Allowance for Loan Losses	(20,150)	(23,856)	3,706	16%
Total Other Assets	2,638,346	1,590,522	1,047,824	66%
TOTAL ASSETS	\$ 4,524,039	\$ 3,285,645	\$ 1,238,394	38%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	\$ 41,002	\$ 306,283	\$ (265,281)	(87%)
Credit Cards	5,319	10,586	(5,267)	(50%)
Other Current Liabilities				
Due to/Due From EDA	262,125	-	262,125	100%
Accrued Expenses	6,000	-	6,000	100%
Total Other Current Liabilities	268,125	-	268,125	100%
Total Current Liabilities	314,446	316,869	(2,423)	(1%)
Total Liabilities	314,446	316,869	(2,423)	(1%)
Equity				
Retained Earnings	3,507,118	2,939,820	567,298	19%
Change in Net Assets	702,475	28,956	673,519	2,326%
Total Equity	4,209,593	2,968,776	1,240,817	42%
TOTAL LIABILITIES & EQUITY	\$ 4,524,039	\$ 3,285,645	\$ 1,238,394	38%