

Prospera is a local nonprofit that leads the way in building strong businesses, establishing powerful partnerships, and sustaining vibrant communities throughout southwestern Montana. We provide a range of services including confidential business counseling, premier events and trainings, small business loans, grant assistance, and timely economic research. Prospera proudly hosts the statewide Montana Women's Business Center, a program partially funded by the U.S. Small Business Administration. Since 1985, all of Prospera's offerings have been provided at no-cost or low-cost thanks to the support of our industry-leading members, generous sponsors, and visionary charitable donors.



2015

Prospera

BUSINESS NETWORK

ANNUAL REPORT



a pathway to success
for businesses & communities

“The knowledge of the WBC staff has helped us increase our profits and understand how to work best with our banker and accountant.

They have helped make us successful!

- Karyn Bonderud, Owner, Eskay Bridal

Longtime Prospera client Karyn Carpenter of Eskay Bridal at the grand opening of her new location in Bozeman in 2016.

OUR STAFF



PAUL REICHERT
EXECUTIVE DIRECTOR



DREW LITTLE
PROGRAM DIRECTOR



MIKE DREWISKE
LOAN FUNDS MANAGER



SUZI BERGET-WHITE
MONTANA WOMEN'S BUSINESS CENTER PROGRAM DIRECTOR



EMILIE SAUNDERS
MEMBERSHIP & FUNDRAISING DIRECTOR



ANNE MARTIN
CPA, ACCOUNTING & FINANCE MANAGER

PROSPERA'S MISSION

Prospera is an economic and community development organization whose purpose is to advance, challenge and inspire our regional business communities.

YEAR IN REVIEW 2015

Prospera is fortunate to have the continued support of our business members, like you, who value the connection between our economy and our community. Thank you for making my first year with Prospera a rewarding one!

2015 was a big year for Prospera, as we continued serving one of the fastest growing regions in the United States. We saw major community investments in projects like the new hospital facilities in Livingston and Big Sky, a revitalized Gardiner Gateway at the north entrance to Yellowstone, and expanding facilities at MSU – and of course, we enjoyed our share of new breweries and distilleries. These public and private investments demonstrate our region's continued commitment to building diverse, sustainable communities.

Along with the success stories showcased in this Annual Report, I'd also like to highlight:

- In early 2015, we hosted two powerful workshops focused on building strong collaborative relationships between businesses and nonprofits, in partnership with the Downtown Bozeman Association (DBA) and the Bozeman Area Community Foundation.
- More than 220 women attended our third biennial W2: Women to Women Conference in May, hosted in conjunction with the MSU Jake Jabs College of Business & Entrepreneurship Women's Circle of Excellence.

- In addition to our signature Prospera events, we continued our high-impact Montana WBC Leadership Mentoring Series, Women-Owned Business Tours, and FWD Business Series workshops in Livingston in partnership with MSU Extension and the Livingston Job Service. In all, our events reached more than 1,100 participants in 2015.
- Lastly, Prospera launched its first two fundraising campaigns to sustain the Montana WBC program: the Pay it Forward initiative and the Legacy Society. These campaigns made it possible for individuals, businesses, and foundations to give tax-deductible donations through Prospera's 501c(3) Gallatin Valley Foundation for Economic Development.

Your investment in Prospera delivered powerful results in 2015. Thank you for supporting Prospera's work to help businesses and communities succeed, and for your leadership in strengthening our regional economies.

With Gratitude,

Paul Reichert, Executive Director
September 2016

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DRY HILLS DISTILLERY

The Dry Hills Distillery team produces "Farm to Bottle" spirits from their Montana-grown potatoes and cereal grains. From left: Brett Flikkema, Brooks Marshall, Erica Droge and Jeff Droge.

The Droge family homesteaded the Dry Hills area of Gallatin County in 1905. Today, this fifth-generation farming family continues to operate that farm, as well as the London Hills Farm near Harrison, raising several hundred acres of certified seed potatoes and several thousand acres of mixed cereal grains. The idea for a distillery started after realizing that 5 to 8 percent of their annual potato harvest was being thrown away for cosmetic reasons.

In the spring of 2015 Jeff and Erica Droge began working with the Montana WBC. They had recently completed Moonshine University in Kentucky, the premier distilling school in the nation. Jeff's 19 years of farming and Erica's nine years of marketing and office management experience made for a strong skillset. However, they needed help refining their draft business plan, establishing the financial aspects of their startup and evaluating tasting room locations. The Drogos also worked with the Montana WBC to secure a Montana Growth Through Agriculture grant to purchase equipment.

Now, the distillery operates a continuous flow distillation system and custom-built processing line that uses whole potatoes for their gin and vodka, unlike the lower-quality potato flakes or powder used by other spirit producers. Located in Four Corners, the Dry Hills Distillery tasting room opened in the spring of 2016 offering unique cocktails, family-friendly seating and an on-site food truck. Jeff and Erica now have two full-time employees and six part-time employees.



The Montana WBC is a program of Prospera Business Network and is funded in part through a Cooperative Agreement with the U.S. Small Business Administration. All opinions, conclusions or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the SBA.

“It was a
leap
of
faith”

Thankfully we had help from the Montana WBC to help us evaluate the business idea, finish our business plan and financial projections, and secure the Growth Through Agriculture grant.

-Jeff Droge, Dry Hills Distillery

HOURS OF
COUNSELING
PROVIDED TO
181 CLIENTS

790

JOBS
CREATED/
MAINTAINED

45

16

NEW
BUSINESS
STARTS

\$2.57

MILLION
ACCESS
TO CAPITAL

2015
IMPACT

Tony Reindl, owner of Montana
Canning Co. with his mobile
canning unit at Madison River
Brewing in Belgrade.
Photos courtesy of Adrian
Sanchez-Gonzalez, Bozeman
Daily Chronicle



It takes continual support

it's not just once you sign
the loan that it's all done

-Tony Reindl, Owner, Montana Canning Co.

MONTANA CANNING CO.

To meet growing demand from customers and distributors for canned microbrews, many of the nearly 60 breweries operating in Montana have to ship their beer out of state for canning, or outsource the brewing and packaging altogether. Fortunately, Livingston-based Montana Canning Co. arrived on the scene in early 2015 to provide a solution: a mobile canning assembly line that can arrive at a brewery's doorstep and produce 36 cans a minute. Inspired by his own desire to purchase cans from a favorite local brewery, former electrician Tony Reindl began exploring how to start the first mobile canning service in Montana. In 2014, he was referred to Prospera for help crafting his business plan and developing cash flow projections. Prospera also brought in the Montana Manufacturing Extension Center to assist with calculating unit costs and a price structure. Prospera then partnered its revolving loan funds with Opportunity Bank financing to help Tony purchase equipment and inventory and to provide working capital for his startup phase.

A year and a half later, Montana Canning Co. works with eight breweries and a cider house. No longer relying on family help, Tony now has two part-time employees and one full-time employee. He is focused on growing and evolving with the industry, potentially expanding his market into Idaho and adding a second canning line.

LENT TO SMALL
BUSINESSES IN
GALLATIN & PARK
COUNTIES

\$151,638

31 JOBS
CREATED/
MAINTAINED

3 NEW
LOANS

\$5.32 MILLION
LENT TO DATE

2015
IMPACT

BIG SKY TRUST
FUND GRANTS

MONTANA INSTRUMENTS INC.

Simply stated, optics and photonics are the science and technology of generating, detecting and controlling light. However, the technology made possible by these specialized fields of physics and engineering is anything but simple. It shows up everywhere in our daily lives, from smartphones, cameras and medical instruments to high-speed communication networks and countless other innovations.

Thanks in large part to the Optical Technology Center at Montana State University, there are about 30 optics and photonics-related companies in the Bozeman area, providing over 500 high-paying jobs – positioning southwestern Montana at the forefront of one of the most important emerging technology sectors in the state.

In 2013, Prospera supported the formation of the Montana Photonics Industry Alliance (MPIA), a volunteer-run group that functions with help from Prospera and support from the City of Bozeman. After getting to know Montana Instruments' President and Founder Luke Mauritsen during MPIA networking socials, Prospera staff saw an opportunity for his company to access a job creation grant through the Montana Department of Commerce's Big Sky Economic Development Trust Fund (BSTF) program.

Within the diverse photonics industry, Montana Instruments focuses on delivering "cold science made simple." The company's product line offers easy-to-use, high-precision optical measurement solutions for research, industry and education. This enables its customers to study materials in fine detail using extremely cold temperatures – providing the clearest image of molecular interactions. Imagine a device the size of a Keurig coffee maker, that can reach temperatures near absolute zero, allowing for groundbreaking research and made here in Bozeman.

Montana Instruments developed its first variable temperature microscope in 2009. By the time they were awarded the BSTF grant in April 2015, the company had grown to 22 full-time and 4 part-time employees. Now, with the help of the grant and the support provided by the MPIA network, the company has its sights on reaching over 40 employees by 2017.

Montana Instruments President
& Founder Luke Mauritsen
at their facility in Bozeman.

Jessica Donnelly, an Integration
Technician assembles a Cryostation
C2, low vibration closed-cycle
optical cryostat device.



We're building the infrastructure, this year and next year, that we need for future growth...I appreciate how smooth the [grant] process has been, it's a real service that Prospera has provided. At the end of the day,

**with this help we will
probably make one or two**

more hires

**than we would
have otherwise**

**-Luke Mauritsen,
President & Founder,
Montana Instruments Inc.**

\$638,500

STATE FUNDS
AWARDED TO
PROJECTS

9

NEW
PROJECTS
AWARDED

\$3.99

MILLION
OUTSIDE
MATCHING
FUNDS LEVERAGED

2015 IMPACT

2015

BUSINESS EXCELLENCE AWARD WINNERS

The Business Excellence Awards recognize businesses and individuals for their exceptional contributions to the region's business community.



Innovator of the Year **DropTrip**

A business recognized for creating new, innovative, sustainable, or value-added products or services, or an innovative business model.

After winning Startup Weekend Bozeman in 2013, CEO Doug Warner and his fellow DropTrip co-founders created the world's first crowdsourced shipping social network.



Entrepreneur(s) of the Year **Chris Murphy & Kinda Pickett Helio & Company, LLC**

An individual or team (in business for roughly five or less years) recognized for exceptional performance.

Chris and Kina established their Bozeman-based digital creative agency in 2009. They create powerful creative strategies and visually stunning results for high-profile clients including Columbia, Vans and Oakley.



Woman Entrepreneur of the Year **Brie Thompson, Olivelle**

A woman business owner recognized for exceptional leadership and performance. The winner must have at least 51 percent ownership in the business.

Brie, one of only 15 certified Olive Oil Savants in the world, established a successful oil and vinegar business including a retail store, manufacturing facility, consulting business and franchise alternative program. Her locally-crafted olive oils, balsamic vinegars, herb blends and sea salts are featured in over 40 stores nationwide and in Canada.



Economic Leadership Award **David Kack, HRDC Board of Directors**

An individual leader (from government, non-profit or business) who has made a significant contribution to the economic development of our area.

David, an HRDC board member since 2003 and board chairman since 2010, was instrumental in the creation of the Streamline and Skyline public transit systems and has also been a dedicated champion of numerous other measures to support the area's working families.



Business of the Year **Universal Athletic Service**

An established business (in business for five or more years) recognized for its significant contribution to the economic development of our area.

Universal Athletic Service has been in the sporting goods industry since 1971 and is the #1 independent team dealer in the country. They operate 13 retail locations and have 50 wholesale salespeople. The company is committed to supporting its employees and the community in a wide variety of ways.

2015 BOARD OF DIRECTORS

Executive Committee

President Nick Zelter
Montana State University

Past President Jenni West
Montana Manufacturing
Extension Center

President-Elect Dennis O'Brien
D. O'Brien & Associates, LLC

Secretary Lilia Tyrrell Kasting,
Kauffman & Mersen, PC

Stacie Bruno - Simms Fishing
Products

Jeff Burgard - AlphaGraphics

Bill Blackford - CenturyLink

Chris Darnell - Bozeman Health

Erin Gallinger - Wells Fargo Bank

Dawn Hayes - First Interstate Bank

Michael Mahon - Stockman Bank

Jim Ness - Big Sky Western Bank

Jeri Norris - First Security Bank

Kurt Ratz - CTA Architects
Engineers

MEMBERSHIP & EVENTS COMMITTEE

Kate Jo - Citizen Lucida Photography
Jim Ness - Big Sky Western Bank
Kurt Ratz - CTA Architects Engineers
Nick van Tighem - Jackson Contractor
Group, Inc.

MONTANA WBC ADVISORY BOARD

Crystal Baker - Small Business
Administration -WBC District
Office Technical Rep.

Ris Higgins - Leadership Outfitters

Marley McKenna - Taco del Sol

Jeri Norris - First Security Bank

Callan Nagy - Stockman Bank

Suzi Taylor - Montana State University

Jenni West - Montana Manufacturing
Extension Center

Kathy Wojcik - Bluheron Coaching
& Consulting

Lauren Caselli - Lauren Caselli Events

REVOLVING LOAN FUNDS COMMITTEES

Bozeman

Brit Fontenot - City of Bozeman

Erin Gallinger - Wells Fargo Bank

Chris Mehl - City of Bozeman

Tracy Menuetz - HRDC

Mike Money - Big Sky Western Bank

Scott Nicholson - First Interstate Bank

Livingston/Park County

Bob Gersak - Retired (First Interstate Bank)

Daryl Hansen - Daryl Hansen Agency

Brad Hanson - First Interstate Bank

Dawn Hayes - First Interstate Bank

Cyndy Rigler - Western Home Mortgage

USDA IRP

Jon Ayres - First Security Bank

Michael Mahon - Stockman Bank

Bryan Robertus - Advanced
Electronic Designs, Inc.

Dick Siess - Stockman Bank

Larry Watson - Gallatin County

2015 CHARITABLE DONORS

LEGACY SOCIETY DONORS

Changing Directions, Inc.

First Security Bank
Foundation

Leadership Outfitters

Mike and Kathy McKenna

Montana WBC
Advisory Board

Prospera Business Network
Board of Directors

Serena Rundberg

PAY IT FORWARD SUPPORTERS

Mary-Martha Bahn

Priscilla Foster: Priscilla Foster
Handmade

Kari Gras: Gras HR
Consulting

Claudia Krevat:
Claudia's Mesa

Jennifer Morrical

Erin Yost: Yost Wealth
Planning a Member of D.A.
Davidson & Co

West Paw Design
West, Jenni

**2015
MEMBERS**

COMMUNITY LEADER MEMBERS

BOZEMAN DAILY
CHRONICLE
empowering the community



BOZEMAN^{MT}



EXECUTIVE MEMBERS

ABC Fox of Montana
AlphaGraphics
City of Livingston
First Security Bank
Holmes & Turner
NorthWestern Energy
Prime Incorporated
Takeda Vaccines, Inc.

ACCOUNTING

*Holmes & Turner
Hubley, Phillips, & Williams PLLP
JCCS, P.C.
Gina Jones, CPA, PLLC
Bozeman Accounting Solutions, LLC
Catherine Moody Accounting
& Tax Services
*Galusha, Higgins & Galusha, CPAs
McGuire & Associates, CPAs
Penor & Associates, CPAs
Rosie Triantis Bookkeeping Services
WIPFLI, LLP CPAs and Consultants

ATTORNEYS

Kasting, Kauffman & Mersen, PC
Crowley Fleck, PLLP
*Moore, O'Connell & Refling, PC

CONSTRUCTION/RELATED

CTA Architects Engineers
Sime Construction, Inc.
Empire Building Materials, Inc.
*Knife River Corporation
L&L Site Services, Inc.
*Simkins-Hallin Lumber
Southwest Montana Building
Industry Association
*Big Sky Insulations, Inc.
C&H Engineering and Surveying, Inc.
Jackson Contractor Group, Inc.
KLJ Engineering
Langlas & Associates

CONSULTATION SERVICES

D. O'Brien & Associates, LLC
Compass Advisors
Leadership Outfitters
Re-Think, Inc.
UpStart Advisors, PLLC
Wintergreen HR Consulting

EDUCATION

Montana State University
Gallatin College MSU
Bozeman Public Library
Bozeman Public Schools
Health Works Institute

EMPLOYMENT

LC Staffing
*Bozeman Job Service

FINANCE & BANKING

*First Interstate Bank
*First Security Bank
Bank of Bozeman
Big Sky Western Bank
*Opportunity Bank of Montana
Stockman Bank
*U.S. Bank
Wells Fargo Bank
American Bank
Rocky Mountain Bank
D.A. Davidson & Co.
Edward Jones | Jim Hamilton
Edward Jones | Kris Kumlien
First Montana Bank
Manhattan Bank
Thrivent Financial

HEALTH SERVICES/WELLNESS

*Bozeman Health
Granite Sports Medicine
*Advanced Performance &
Rehabilitation Services

HOSPITALITY

*Best Western Plus GranTree Inn
Holiday Inn Bozeman
Baxter Main/ Baxter Hospitality
Bozeman Yellowstone
International Airport
Holiday Inn Express
Sola Café
Bountiful Table, The
Buffalo Bump Pizza
Clark's Fork
Saffron Table
Taco del Sol
Venus Catering

INSURANCE

Blue Cross Blue Shield of Montana
*First West Insurance
McKenna Financial
*State Farm Insurance-Rust Agency

LOCAL GOVERNMENT

City of Bozeman
City of Livingston
City of Belgrade
Gallatin County
Gallatin County Fairgrounds
Montana Technology
Innovation Partnership

MANUFACTURING

Takeda Vaccines, Inc.
Béquet Confections
Gibson Brands Inc. Acoustic Division
Montana Manufacturing
Extension Center
Simms Fishing Products
West Paw Design
Plastic Design & Manufacturing
Dobeck Performance
ILX Lightwave – A Newport Company
Lattice Materials
Midwest Welding & Machine, Inc.
Montana Black Gold
Montana Instruments
Mystery Ranch
*Schnee's
Spark R&D
TowHaul/Smith Equipment USA
Vista Outdoor - Blackhawk

MANUFACTURING-PRINTING

*AlphaGraphics
Allegra Bozeman
PrintingForLess.com

MARKETING/MEDIA

*Bozeman Daily Chronicle
ABC Fox of Montana
Prime Incorporated
Hukel Design
PromoWest
Sunrift Studios
KBZK | KXLF
Elixiter, Inc.
Markouture
Montana Parent Magazine

NONPROFIT ORGANIZATIONS

American Computer Museum
Belgrade Chamber of Commerce
Big Sky Chamber of Commerce
Bozeman Area Chamber of Commerce
Bozeman Business & Professional
Women (BPW)
Bozeman Health Foundation
Downtown Bozeman Partnership
Eagle Mount Bozeman
Gallatin Valley Land Trust
Livingston Area Chamber of Commerce
Manhattan Area Chamber of Commerce
Montana & Idaho CDC
Montana World Trade Center
Museum of the Rockies

OTHER SERVICES

*Gallatin Laundry Co.
Blue Ocean Innovation Center
Buffalo Restoration
Citizen Lucida Photography
Frontline Processing
Thirsty Lake Tileworks

REAL ESTATE/RELATED

*ERA Landmark Real Estate
*American Land Title Company
Gene Cook Real Estate
*Appraisal Services
Berkshire Hathaway HomeServices
Montana Properties
Keller Williams Montana Realty
McCaw & Company
*McKenna Realty
MSR North Associates
NAI Landmark Commercial Real Estate
*Security Title Company of Montana

RETAIL/WHOLESALE

*Lehrkind's Coca-Cola
Murdoch's Ranch & Home Supply
Olivelle
Alara Jewelry
*Billion Auto Group
Jelt
*Owenhouse Ace Hardware

Quality Foods Distributing
*Bozeman Furniture & Appliance
Bozeman Self Storage
*Cashman Nursery
Community Food Co-op
*D&R Coffee Services, Inc.
HeadRoom
Heyday
*House of Clean, Inc.
*Pierce Flooring
*Universal Athletic Service

TECHNOLOGY

Acadeus
Advanced Electronic Designs, Inc.
Connect Telephone & Computer Group
TechLink
Zoot Enterprises
BioScience Laboratories
eWranglers
Granite Technology Solutions, Inc.
MicroLab, Inc.
MSU Innovation Campus
Quantel USA
Scientific Materials Corp. a FLIR Systems
Company

UTILITIES

*NorthWestern Energy
*CenturyLink
Spectrum Business

Member list reflects current members
as of December 31, 2015 and are listed
within their industry by level of support
and then alphabetically.

*Indicates Founders' Club members, the
36 businesses that joined between 1985
and 1990 who remain Prospera members
to this day.

2015 CONSOLIDATED STATEMENT OF FINANCIAL POSITION*

ASSETS	DECEMBER 31, 2015
Current Assets	
Cash and cash equivalents	\$ 106,502
Restricted cash	1,555,913
Membership dues receivable	20,595
Contracts and grants receivable	53,804
Prepaid expenses	6,631
USDA intermediary relending program, current portion	38,266
Contracted revolving loan programs receivable (net)	684,749
Total current assets	2,466,464
Equipment	
Office equipment	20,012
Less: accumulated depreciation	(20,012)
Total equipment	-
Other assets	
USDA intermediary relending program, receivable (net)	219,631
Deposits	2,150
Total other assets	221,781
Total assets	\$ 2,688,241
LIABILITIES AND NET ASSETS	DECEMBER 31, 2015
Current liabilities	
Current portion of long-term debt	\$ 26,289
Accounts payable and accrued expenses	21,069
Deferred revenue	
Due to subgrantee	36,657
Refundable advances	21,382
Accrued interest payable	4,599
Revolving loan programs payable	1,723,721
Total current liabilities	1,833,717
Long-term debt	
Notes payable, net of current portion	794,098
Total long-term debt	794,098
Total liabilities	2,627,815
Net assets	
Unrestricted	60,426
Total net assets	60,426
Total liabilities and net assets	\$ 2,688,241

2015 CONSOLIDATED STATEMENT OF ACTIVITIES*

UNRESTRICTED	DECEMBER 31, 2015
Revenues and other support	
Membership dues	\$ 133,851
Grant income	258,480
Program income	164,929
Service fees	61,547
Special events, net of direct benefits to attendees of \$7,147	14,885
Contributions	60,970
Interest income	20,431
Miscellaneous	1,319
Total revenues and other support	716,412
Expenses	
Program services	
Loan programs	42,102
Membership and events	69,548
Women's Business Center	220,007
Other Economic Development	316,245
Total program services	647,902
Supporting services	
Management and general	35,557
Total expenses	683,459
Change in net assets	32,953
Net assets, beginning of year	27,473
Net assets, end of year	\$ 60,426

* The Consolidated Statement of Financial Position and Statement of Activities presented as of December 31, 2015 were audited by Holmes & Turner, who issued an unmodified opinion dated July 25, 2016.

