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.
They have helped make us successful!
- Karyn Bonderud, Owner, Eskay Bridal

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

Montana Women’s Business Center: Dry Hills Distillery
Revolving Loan Funds: Montana Canning Co.
Big Sky Trust Fund Grants: Montana Instruments, Inc.
Business Excellence Award Winners
Prospera Leadership & Supporters
Prospera Member Directory
Annual Financials
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 Droges 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.

"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

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

It’s been great [working with Prospera], I know that in Montana there are a lot of people employed in small businesses and the fact that you are here for them is a huge help. You put so much attention and detail into everyone you meet with, I can imagine that would be difficult.

- Tony Reindl, Owner, Montana Canning Co.

REVOLVING LOAN FUND PROGRAM

It takes continual support
it’s not just once you sign the loan that it’s all done

- Tony Reindl, Owner, Montana Canning Co.
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.

“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.
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 Hello & 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 vineger 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.

Copy Editor(s)

Copy Editor(s)
EXECUTIVE MEMBERS

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

ACCOUNTING
*Hollmes & Turner
Hubley, Phillips, & Williams LLP
JCCS, PC.
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
WIPP/L, LLP CPAs and Consultants

ATTORNEYS
Kasting, Kauffman & Mensen, PC
Crawley Fleck, PLLC
*Moore, O’Connell & Refling, PC

CONSTRUCTION/RELATED
CTA Architects Engineers
Simie Construction, Inc.
Empire Building Materials, Inc.
*Knife River Corporation
L&L Site Services, Inc.
*Simkis-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
HealthWorks 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 Kulminen
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
Dobek 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
Spark R&D
*Schnee’s

MANUFACTURING-PRINTING
*AlphaGraphics
Allegro Bozeman
PrintingForLess.com

MARKETING/MEDIA
*Bozeman Daily Chronicle
ABC Fox of Montana
Prime Incorporated
Hukel Design
PromoWest
Sunfrit Studios
KBZK | KXLF
Elixtor, 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

UTILITIES
*NorthWestern Energy
*CenturyLink
Spectrum Business

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

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.

1211
### ASSETS

#### Current Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>106,502</td>
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<tr>
<td>Restricted cash</td>
<td>1,555,913</td>
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<tr>
<td>Membership dues receivable</td>
<td>20,595</td>
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<tr>
<td>Contracts and grants receivable</td>
<td>53,804</td>
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<tr>
<td>Prepaid expenses</td>
<td>6,631</td>
</tr>
<tr>
<td>USDA intermediary relending program, current portion</td>
<td>38,266</td>
</tr>
<tr>
<td>Contracted revolving loan programs receivable (net)</td>
<td>684,749</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>2,466,464</strong></td>
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</table>

#### Equipment

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Office equipment</td>
<td>20,012</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(20,012)</td>
</tr>
<tr>
<td><strong>Total equipment</strong></td>
<td></td>
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</table>

#### Other Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>USDA intermediary relending program, receivable (net)</td>
<td>219,631</td>
</tr>
<tr>
<td>Deposits</td>
<td>2,150</td>
</tr>
<tr>
<td><strong>Total other assets</strong></td>
<td><strong>221,781</strong></td>
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</tbody>
</table>

| **Total assets**                                                            | **2,688,241** |

### LIABILITIES AND NET ASSETS

#### Current liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion of long-term debt</td>
<td>26,289</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>21,069</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>63,058</td>
</tr>
<tr>
<td>Due to subgrantee</td>
<td>36,657</td>
</tr>
<tr>
<td>Refundable advances</td>
<td>21,382</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>4,599</td>
</tr>
<tr>
<td>Revolving loan programs payable</td>
<td>1,723,721</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>1,833,717</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes payable, net of current portion</td>
<td>794,098</td>
</tr>
<tr>
<td><strong>Total long-term debt</strong></td>
<td><strong>794,098</strong></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>2,627,815</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net assets</strong></td>
<td><strong>60,426</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted</strong></td>
<td><strong>60,426</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>60,426</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>2,688,241</strong></td>
</tr>
</tbody>
</table>

### UNRESTRICTED

#### Revenues and other support

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership dues</td>
<td>133,851</td>
</tr>
<tr>
<td>Grant income</td>
<td>258,480</td>
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<tr>
<td>Program income</td>
<td>164,929</td>
</tr>
<tr>
<td>Service fees</td>
<td>61,547</td>
</tr>
<tr>
<td>Special events, net of direct benefits to attendees of $7,147</td>
<td>14,885</td>
</tr>
<tr>
<td>Contributions</td>
<td>60,970</td>
</tr>
<tr>
<td>Interest income</td>
<td>20,431</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,319</td>
</tr>
<tr>
<td><strong>Total revenues and other support</strong></td>
<td><strong>716,412</strong></td>
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</tbody>
</table>

#### Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>42,102</td>
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<tr>
<td>Loan programs</td>
<td>69,548</td>
</tr>
<tr>
<td>Membership and events</td>
<td>220,007</td>
</tr>
<tr>
<td>Women's Business Center</td>
<td>316,245</td>
</tr>
<tr>
<td>Other Economic Development</td>
<td>647,902</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>683,459</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net assets, beginning of year</strong></td>
<td><strong>27,473</strong></td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td><strong>60,426</strong></td>
</tr>
</tbody>
</table>

* 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.*