2018 ANNUAL REPORT
CREATING A SELF-SUSTAINING ECONOMY FROM WITHIN
As the economic development arm of the Aaniiih and Nakoda Nations, IMDG honors the Tribes cultural heritage and embraces traditional values. The mission is being driven by a new generation of Tribal Members, working to empower a new generation.
OUR
Mission and Vision

MISSION
Island Mountain Development Group is a dynamic Native American economic development corporation dedicated to creating a self-sustaining economy by striving to create opportunities for the Aaniiih (Gros Ventre) and Nakoda (Assiniboine) Nations through business, jobs and resource development.

VISION
The Island Mountain Development Group promotes the values of generosity, trust, respect, discipline, patience, sustainability and resilience. We are devoted to and fully adhere to our Mission Statement and the progress of the company in terms of these core values to ensure we are serving the Aaniiih (Gros Ventre) and Nakoda (Assiniboine) Nations to the best of our abilities.

ECONOMIC DEVELOPMENT
Economic Development can be defined as efforts that seek to improve the economic well-being and quality of life for a community by creating and/or retaining jobs and supporting or growing incomes.

This definition is paramount in the vision and future IMDG seeks to create for the tribal membership of the Nakoda and Aaniiih Nations; the increased standard of living, stable job opportunities, and the continuing growth of our tribal economy.
FROM THE CEO

2018 was a year of transition and strategic positioning for Island Mountain Development Group (IMDG).

Long time CEO, Michelle Fox, resigned to take a new opportunity to expand her professional career. All are grateful for the successful Tribal business model she created and contributed to so greatly. I was truly humbled to be chosen by our Board of Directors to lead IMDG as CEO and subsequently succeed Mrs. Fox.

Our IMDG Board of Directors also saw a transition as we welcomed four new Board Members. It has been my honor and privilege to work for a group of individuals that are diligent, knowledgeable and seek to be engaged in every aspect of our business. With IMDG’s multiple business portfolios, the Board’s acumen has grown exponentially at a rapid rate. I sincerely appreciate each Member’s dedication to the betterment of our reservation.

FINANCIAL REVIEW

IMDG businesses are financially solid and have demonstrated positive growth trends the past few years.

This history of strong performance was built through common mission and values as Aaniiih and Nakoda people, hard work, and dedication to the betterment of the Fort Belknap Indian Community.

When we examine the financial foundation of the company, it is strong and 2018 was an exceptional year for many reasons. We finished 2018 with ($1,715,199) in net income, $25,325,202 in operating revenues and $800,000 in profit sharing with the Fort Belknap Indian Community. In addition to profit sharing, IMDG gave out $594,684 in donations and sponsorships to support the vitality local events in which community members participated.

An essential goal of IMDG in 2018 was to constantly be working towards creating a self-sustaining economy; this is done by utilizing IMDG portfolios and enterprises that keep Tribal dollars circulating in the Tribe’s local economy. A major focus of IMDG’s efforts surrounds revenue generation to constantly enhance and reinvest into our E-commerce enterprises, diversify IMDG’s overall business portfolio to provide diverse employment opportunities in various business sectors with competitive wages and benefits.
“IMDG will continue to strive toward its mission creating a self-sustaining economy and job creation for the Aaniiih and Nakoda people for 2019 and beyond.”

IMDG EMPLOYEES

We have amazing employees who work together as a team toward a common goal of enhancing the economic opportunities on Fort Belknap. Initially, taking on this leadership role, I felt it was pertinent to evaluate the corporation’s current strengths and weaknesses. What I found was a workforce that was ready for a challenge and willing to do what it takes to create successes for the corporation in a strategic direction. It has been my strategy to utilize the skill sets of our current employees, create an environment of intellectual freedom, recruit and hire key positions needed for expanded growth, and create new business opportunities vested in sound fiscal management and strict policies and procedures that ensure long-term stability for our Tribes.

When I reflect on the human capital growth and financial health of the corporation, I find great pride in a record year in which IMDG contributed $8,659,532 in payroll and benefits to our employees. These are dollars that pay bills, buy clothes, purchase vehicles, support home ownership and support the local economy’s health.

IMDG’s employee base grew by 20% and positive employment growth is projected for 2019. To know a segment of our Tribal Members are empowering themselves to raise their standard of living through sound employment makes me proudest of our achievements this past year. To see each employee being productive, knowing all of this was non-existent ten years ago drives me to work harder each day.

POSITIONING FOR 2019

IMDG will continue to strive toward its mission creating a self-sustaining economy and job creation for the Aaniiih and Nakoda people for 2019 and beyond. As we do, the Membership of Fort Belknap Indian Community has our commitment that we will be working to extend our performance in areas where results are already strong, while diligently addressing those aspects of our performance in which we see the greatest opportunities to expand opportunities for our Tribes.

Terry Brockie
Chief Executive Officer
Growth Continues

OPERATING REVENUES (MILLIONS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$25.3</td>
</tr>
<tr>
<td>2017</td>
<td>$8.9</td>
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</table>

PAYROLL + BENEFITS (MILLIONS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$8.6</td>
</tr>
<tr>
<td>2017</td>
<td>$4.8</td>
</tr>
</tbody>
</table>

PROFIT SHARING
- 2018: $800,000
- 2017: $455,636

DONATIONS/SPONSORSHIPS
- 2018: $594,684
- 2017: $310,669

# OF EMPLOYEES 2018: 151
# OF EMPLOYEES 2017: 126
E-COMMERCE

2018 was a year of growth, ingenuity and capacity-building for the IMDG E-Commerce vertical.

IMDG employees continued to advance their knowledge and efficiency in all areas of E-Commerce including analytics, customer service, product development, accounting and technology. In addition, the management team and employees worked to grow internal capacity in order to reduce reliance on third party vendors. Through this effort, 2018 was the first full year in which a loan portfolio was 100% managed and serviced by IMDG employees. Other services are also being migrated from outside vendors to internal teams, an initiative which will continue going forward.

The E-Commerce business has also introduced new technologies to make our lending options even more consumer friendly, as we strive to be a leader in the lending marketplace.

To attract and retain top talent, we have created industry-leading employee pay and benefit packages and bonus structures, all while growing the number of IMDG employees both in the contact center and on the administrative team.

FUTURE GOALS

As we focus on the future, IMDG is committed to the advancement of our E-Commerce technology and analytics as well as new product development. IMDG anticipates the hiring and development of high-level employees to increase capacity in data science, financial analysis, compliance, and other key areas that support expansion. We also expect a continued increase in the number of jobs offered by IMDG.

Expansion to additional call centers in Fort Belknap and Billings will allow for more capacity and a bigger economic impact for the Fort Belknap Indian Community.
IMDG assisted the Fort Belknap Community Economic Development Corporation (FBCEDC) by providing capital investment in the development of the Red Paint Creek Trading Post and Pantry, a non-profit food cooperative located in the remote community of Lodge Pole, Montana.

A community-based project, Red Paint Creek fills an important need in the Fort Belknap Community for fresh produce, meats and dry goods. Prior to opening, residents had to make a 100-mile round trip to purchase groceries and other staples.

The cooperative occupies approximately half of the 5,300 sq. ft. building, while a commercial kitchen and food pantry occupy the rest. The store also sells diesel and unleaded fuel.

IMDG’s investment in Red Paint Creek Trading Post and Pantry is in alignment with the company’s mission to create a self-sustaining economy by striving to create opportunities for the Aaniiih (Gros Ventre) and Nakoda (Assiniboine) Nations through business, jobs and resource development.

**FUTURE GOALS**

IMDG will look for future opportunities to support FBCEDC initiatives that serve the Aaniiih and Nakoda Nations. Future investments may include agriculture / food sovereignty, FBIC tourism, wellness center and educare – immersive cultural and language education.
REAL ESTATE

In 2018, IMDG began laying the foundation to meet the critical need for residential housing on the Fort Belknap Indian Community. Currently, there is a serious shortage of homes and many are living in substandard housing. The situation is exacerbated due to the lack of mortgage lending by banks which believe trust land ownership is too high risk.

Home ownership is essential to a strong Tribal economy. Successful homeownership has a lasting impact on the security and future of Tribal families. It also creates jobs for Tribal Members and stimulates a cyclical ecosystem of financial and social dividends.

To support this initiative, IMDG is in the beginning phase of strategically and selectively investing in commercial real estate with the intent to build a strong income-producing portfolio. Profits from these ventures will fund additional real estate investments as well as new business verticals to help bring housing to FBIC.

FUTURE GOALS

IMDG is developing a multi-faceted strategy to bring new residential development to Fort Belknap Indian Community. The strategy will address access to capital on FBIC, home ownership education, mortgage availability, construction and job creation.

Successful home ownership has a lasting impact on the security and future of our families. It also creates jobs for our tribal members because of the demand for specialized skills and stimulates a cyclical and connected system of financial and social dividends we are working hard to achieve. This is critical component to honoring our vision.
“When I grew up, Hays didn’t have an employer like IMDG. I saw little opportunity to stay home and work and provide for my family. Since the creation of IMDG, I have a sense of security that has never existed for me and IMDG has changed my life.”

– Twai Werk
Portfolio Manager

BOBBI WERK
Finance Controller

Bobbi began her career with IMDG in 2011, as a Customer Service Representative. IMDG gave Bobbi the opportunity to advance into different career fields within the company. In 2017, Bobbi graduated with her Bachelor’s in Business Administration from Montana State University-Northern. Bobbi is IMDG’s first graduate under the IMDG educational program and is currently our Finance Controller, overseeing a department of eight employees.

FRANCIS SKINNER
Transit Driver

Francis Skinner grew up a half of mile from where IMDG Headquarters is now located. As a child, Francis recalls not having any electricity or running water in his home. He said, “We didn’t know we were poor; everyone was poor back then.” Francis says that the town of Hays never had anything like IMDG ever before and it makes him happy to see so many people going to work in Hays. Previously, he worked for the Head Start program, driving the school bus for fifteen years. Currently, Francis is the IMDG Transit Driver and takes pride and joy in transporting employees from the northern end of the reservation to the southern end. He said, “Some of the employees I now drive to work I used to drive to Head Start! Unbelievable.”
TWAI WERK  
Bright Lending/GTC  
Portfolio Manager  

Twai began her career with IMDG in 2011, as a Customer Service Representative. Since 2011, Twai was promoted to a Team Leader and is now a Portfolio Manager. She manages 40+ employees. “When I grew up, Hays didn’t have an employer like IMDG. I saw little opportunity to stay in this area and work to be able to provide for my family. Since the creation of IMDG, I have a sense of security that has never existed for me. IMDG has changed my life,” said Twai.

LYNETTE CLIFF  
Accounting Associate II  

Lynette Cliff, an enrolled member of the Nakoda Tribe, began her career with Island Mountain Development Group in May 2012, as a Verification Representative. Today, she has worked her way up the ladder to Accounting Associate II. Lynette said what she enjoys most about her job is assisting customers and having a clear knowledge of her position. She said she is proud about IMDG’s ultimate purpose of being part of the economic and social well-being of its people. “IMDG gives people the opportunity to be independent, successful and develop a strong work ethic they can carry with them forever. It’s a great feeling knowing you work for an employee-driven company.”

JACOB BROCKIE  
Accounts Payable/Payroll Manager  

Jacob, an enrolled member of the Gros Ventre Tribe, joined Island Mountain Development Group in May of 2013 as an intern in the Summer program. He was hired as a full-time employee as an Accounting Associate II. After having grown up in Billings, Montana, Jacob said it was good feeling to be able to move to Hays, Montana to be near family and have a job where he can use his degree from college, develop his professional skills and build a career. He said, “IMDG offers people the chance to have a good job, grow their business skills, and improve their lives. Having that steady job means we can buy cars and homes for our families, plus take advantage of great benefits. I get great satisfaction knowing that IMDG is making a difference in the community, too. I feel good knowing I am part of this.”

Island Mountain Development Group seeks to become a national model for Tribal advancement.
THE PEOPLE
Who Drive Our Success

2018 BOARD OF DIRECTORS

TRACY “CHING” KING
Board Chair

KENNETH “TUFFY” HELGESON
Vice Chairman

CHRIS “SMILEY” GARDIPEE
Secretary/Treasurer

RAMONA HORN
Board Member

JOHN HAWLEY
Board Member

HAROLD “JIGGS” MAIN
Board Member
FROM THE CFO

Stronger. Better.

Those words perfectly capture how I feel about IMDG and our year of progress toward lasting success.

We are building outstanding value for our shareholders.

Together, our team delivered strong financial results in 2018, meeting our revenue growth targets, while continuing to accelerate investments in products, services and technology.

Our strategies to power long-term value and growth.

1. Remain good stewards of shareholder capital. We deploy capital with balance and discipline.

   Our priorities are to:
   • invest in our existing businesses to drive organic growth,
   • acquire new businesses that are a strategic, cultural, and financial fit, and
   • create increased ROI.

2. Accelerate our investments in technology.

   Investments in technology are nothing new for IMDG. Our work with technology, like everything we do, is grounded in improving efficiencies. We use smart data to decrease risk, improve margins and improve the customer experience.

Our continued ability to provide value to the people and the economy of the Fort Belknap Indian Community:

• Nine years of consecutive revenue growth.
• Growth in consolidated revenues to a record $25.3M, a 284% increase over 2017.
• Payroll and benefits totaled $8.6M, representative of IMDG’s commitment to workforce growth and development.
• $594,684 in local sponsorship and donations.
• A record in profit sharing at $800,000 with the Fort Belknap Indian Community.
• Unmodified audit opinion with no audit findings.

Looking forward. Through sound business strategies, we continue to strengthen cash flow and secure investment capital sources for growth in preparation for the opportunities ahead. Clearly defined growth strategies further our ability to manage risk and achieve our long terms goals while ensuring financial stability and long-term sustainability.

Dana Pyette
Chief Financial Officer
INDEPENDENT AUDITOR’S REPORT

Board of Directors
Fort Belknap Planning & Development Corporation
DBA Island Mountain Development Group
Hays, Montana

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Fort Belknap Planning & Development Corporation DBA Island Mountain Development Group (the "IMDG"), a component unit of the Fort Belknap Indian Community, which comprise the statement of net position as of December 31, 2018, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the basic financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.
Independent Auditor’s Report
Page 2

Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the business-type activities and aggregate remaining fund information of the Fort Belknap Planning & Development Corporation DBA Island Mountain Development Group, a component unit of the Fort Belknap Indian Community, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Fort Belknap Planning & Development Corporation DBA Island Mountain Development Group has omitted a management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements of the IMDG. The accompanying combining statements of net position, combining statements of revenues, expenses and changes in net position, and combining statements of cash flows on pages 22 through 29 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wipfli LLP

Great Falls, Montana
August 9, 2019
# FORT BELKNAP PLANNING & DEVELOPMENT CORPORATION
## DBA ISLAND MOUNTAIN DEVELOPMENT GROUP
(A Component Unit of the Fort Belknap Indian Community)

## Statement of Net Position
**December 31, 2018**

### Assets
**Current assets**
- Cash $8,836,673
- Accounts receivable $977,443
- Interest receivable, net $2,210,236
- Loans receivable, net $4,333,340
- Due from Green Trust Cash $378,000
- Interfund receivables $7,505,455
- Prepaid expenses $39,226
  - **Total current assets** $24,279,372

**Capital assets**
- Land $51,727
- Buildings and improvements $2,932,551
- Equipment $156,442
- Vehicles $303,466
  - Less: accumulated depreciation $(324,099)
  - **Net capital assets** $3,120,987
  - **Total assets** $27,399,459

**Deferred outflows of resources**
- Excess consideration from acquisitions of operations $548,156
  - **Total deferred outflows of resources** $548,156

### Liabilities
**Current liabilities**
- Accounts payable $1,900,431
- Accrued expenses $135,612
- Due to related parties $905,636
- Interfund payables $7,505,455
- Current portion of note payable $700,459
- Accrued compensated absences $75,533
  - **Total current liabilities** $11,223,126

**Long-term liabilities**
- Note payable, net of current portion $530,134
- Line of Credit $15,000,000
  - **Total long-term liabilities** $15,530,134
  - **Total liabilities** $26,753,260

### Net position
- Net investment in capital assets $2,261,755
- Unrestricted (deficit) $(1,067,400)
  - **Total net position** $1,194,355
FORT BELKNAP PLANNING & DEVELOPMENT CORPORATION  
DBA ISLAND MOUNTAIN DEVELOPMENT GROUP  
(A Component Unit of the Fort Belknap Indian Community)  

Statements of Revenues, Expenses and Changes in Net Position  
Year Ended December 31, 2018

<table>
<thead>
<tr>
<th>Business-Type Activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
<td></td>
</tr>
<tr>
<td>Consumer lending revenue</td>
<td>$22,250,393</td>
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<tr>
<td>Consumer lending payroll revenue</td>
<td>2,811,089</td>
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<tr>
<td>Fort Belknap information &amp; technology revenue</td>
<td>119,728</td>
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<td>Consulting revenue</td>
<td>19,656</td>
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<tr>
<td>Other revenues</td>
<td>118,338</td>
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<tr>
<td><strong>Total operating revenues</strong></td>
<td>25,325,202</td>
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<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
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<tr>
<td>Payroll and benefits</td>
<td>8,659,532</td>
</tr>
<tr>
<td>General and administrative</td>
<td>345,996</td>
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<tr>
<td>Cost of goods sold</td>
<td>9,036,714</td>
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<td>Depreciation and amortization</td>
<td>270,188</td>
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<tr>
<td>Advertising</td>
<td>55,024</td>
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<td>Supplies</td>
<td>711,091</td>
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<tr>
<td>Insurance</td>
<td>51,066</td>
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<tr>
<td>Professional fees</td>
<td>5,057,052</td>
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<tr>
<td>Donations</td>
<td>594,684</td>
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<tr>
<td>Rent</td>
<td>20,589</td>
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<tr>
<td>Dues and subscriptions</td>
<td>6,612</td>
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<td>Repairs and maintenance</td>
<td>292,366</td>
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<td>Utilities</td>
<td>232,500</td>
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<td>Travel and training</td>
<td>556,223</td>
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<tr>
<td>Other operating expense</td>
<td>14,527</td>
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<tr>
<td><strong>Total operating expenses</strong></td>
<td>25,874,164</td>
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<tr>
<td><strong>Operating (loss)</strong></td>
<td>(548,962)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-operating revenues (expenses)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>88,111</td>
</tr>
<tr>
<td>Distribution to Shakes Butte Construction</td>
<td>(17,133)</td>
</tr>
<tr>
<td>Tribal distributions</td>
<td>(800,000)</td>
</tr>
<tr>
<td>(Loss) on sale of property</td>
<td>(29,452)</td>
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<tr>
<td>Interest expense</td>
<td>(407,763)</td>
</tr>
<tr>
<td><strong>Total non-operating revenues (expenses)</strong></td>
<td>(1,186,237)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(Decrease) in net position</th>
<th>(1,715,199)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position, beginning of year</td>
<td>2,909,554</td>
</tr>
<tr>
<td>Net position, end of year</td>
<td>$1,194,355</td>
</tr>
</tbody>
</table>
“Island Mountain Development Group has provided so many educational and athletic opportunities that we normally wouldn’t receive. With their donations, they have enriched our students’ educational and athletic opportunities by providing necessary equipment to better our students’ performance. We are very grateful for Island Mountain Development Group”

– Corey Morgan
Athletic Director for Hays/Lodge Pole Public Schools

INVESTING IN OUR GREATEST ASSET: THE GROS VENTRE AND ASSINIBOINE PEOPLE

Island Mountain Development Group (IMDG) is proud to be a Tribally owned, for-profit corporation.

Headquartered on the Fort Belknap Indian Reservation in Montana, the company’s mission is to promote the economic self-sufficiency of the Aaniiih and Nakoda Tribes through business, jobs and resource development. A deeper, more intrinsic mission is to strengthen our community and bring generational change and better future for our Tribal Members.

Through our business initiatives we are working to grow a strong workforce and developing community infrastructure to provide a better way of life for our Tribal Members living and working on the Fort Belknap Indian Reservation.

Inherent in this work is IMDG’s commitment to be a positive force in the fabric of our Tribal communities. As our Tribal community grows, we will continue to invest in our greatest asset: The People!
IMDG works to be a positive force in the fabric of our tribal communities. As our Tribal community continues to grow, we are committed to re-investing in our greatest asset: The People!

IMDG CHARITABLE FUND
As a part of our community commitment, the IMDG Charitable Fund provides financial support to qualifying nonprofit organizations and youth based activities. Donations are determined through an application process for the following areas:

- Community related activities or events that enhance the quality of life for the Aaniiih and Nakoda people
- Education
- Youth
- Health and Welfare
- Aaniiih and Nakoda Culture
- Arts