WOOD PRODUCTS REVOLVING LOAN FUND

REPORT ON OUTCOME MEASURES AS REQUIRED BY
MCA 90-1-503

AUGUST 2020 UPDATE

ECONOMIC AFFAIRS INTERIM COMMITTEE
66TH MONTANA LEGISLATURE
SEPTEMBER 10, 2020 MEETING

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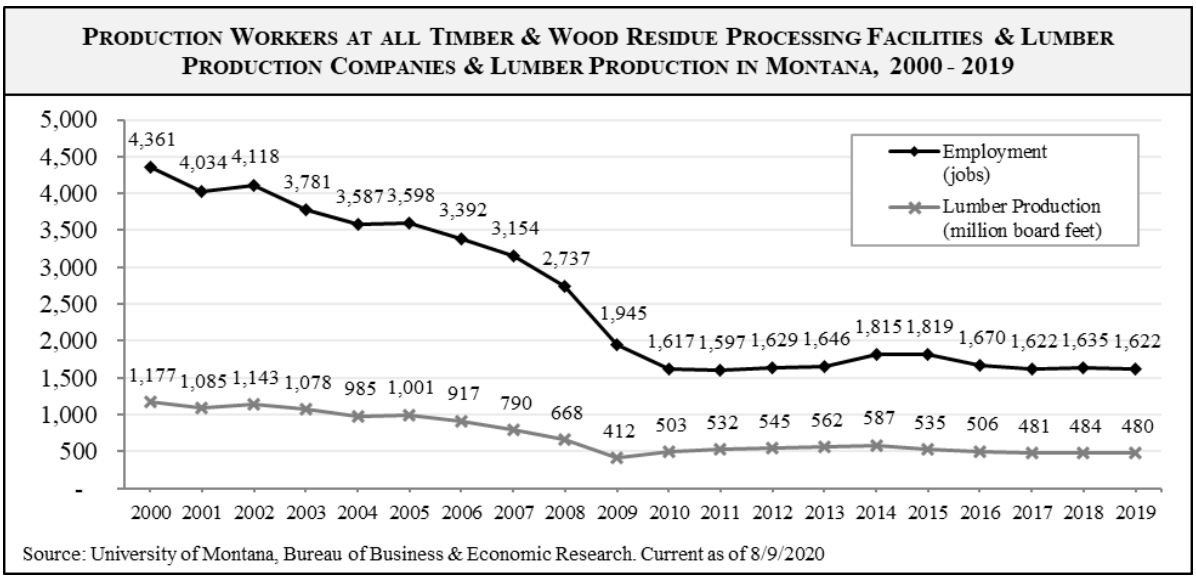
RECENT ECONOMIC HISTORY OF THE MONTANA WOOD PRODUCTS INDUSTRY

Timber harvested in Montana from federal forest lands fell by more than 70 percent during the 1990's (see Appendix A for a map of Montana's National Forest lands); this, along with other compounding factors, led to the closing of 15 sawmills in the State between 1990 and 2000[1]. After low prices, wildfires, declines in the federal timber offerings, and a spike in electricity rates in 2000, operating conditions continued to worsen for Montana's forest products industry through 2001[2].

There was a brief recovery in the wood products markets in the second half of 2003 in response to increased domestic and global demand. However, 2003 also brought court decisions related to federal lands and yet another severe wildfire season which constrained the timber harvest causing log shortages at mills. The log shortages prevented Montana mills from taking advantage of the improved market conditions.

The collapse of the housing market, the economic recession in late 2008, and dealing with already dire operating conditions pushed the Montana wood products industry to the brink of insolvency in 2008. Some Montana wood products business owners were no longer drawing salaries and others loaned money to their company attempting to keep the business afloat.

FIGURE 1



With companies closing and continued decline in timber harvests, production employment at timber and wood residue processing facilities (which make up 30 - 40 percent of all Montana's wood products industry employment) declined steadily from 2000 through 2008 with a sharp decrease in 2009 (Figure 1). Total lumber production followed suit with a steady decline from 2000 through 2009.

In 2009, Montana's total wood products industry (including production workers depicted in Figure 1) employed 7,060[3] workers, down about 20 percent from the 2008 estimated employment of 8,840[4] industry workers.

---

[1] Spoelma, Timothy P., Morgan, Todd A., Dillon, Thale, Chase, Alfred L., Keegan, III, Charles E. & DeBlander, Larry T. 2008. "Montana's Forest Products Industry and Timber Harvest", *Resource Bulletin* RMRS-RB-8. Fort Collins, CO: U.S. Department of Agriculture, Forest Service, Rocky Mountain Research Station. 36 p.

[2] Ibid.

[3] Morgan, Todd A., Keegan III, Charles E., Hayes, Steven W. & Sorenson, Colin B. "Montana's Forest Products Industry: Current Conditions and 2011 Forecast". Bureau of Business and Economic Research, University of Montana-Missoula.

[4] Morgan, Todd A. & Keegan III, Charles E. "Montana's Forest Products Industry: Current Conditions and 2010 Forecast". Bureau of Business and Economic Research, University of Montana-Missoula.

To determine whether Montana's wood products industry could survive the economic challenges it faced, the Montana Department of Commerce (MDOC) funded a study in 2008. That study was conducted by the Bureau of Business and Economic Research, located at the University of Montana-Missoula. The study concluded that:

- A revolving loan fund could help retain many of the direct jobs employed in the State's wood products industry; and
- A revolving loan fund might prevent closures and the loss of industry infrastructure - which in turn would help ensure the sustainable management of Montana's forests.

LEGISLATIVE REMEDY ADDRESSING THE MONTANA WOOD PRODUCTS INDUSTRY DIFFICULTIES

The 2009 Legislature approved the "*Montana Distressed Wood Products Industry Recovery and Stabilization Program*" (now referred to as the *Wood Products Revolving Loan Fund* (Wood Products RLF)). The program was created by passage of HB669 which provided the statutory mechanism to implement the program with funding via HB645. HB669 passed the Senate with a 43-7 vote, the House of Representatives with a 96-4 vote, and became law in early May 2009. With the passage of HB669 and HB645, the Legislature hoped to assist businesses in the wood products and timber industry affected by the recession.

In 2008, Montana's wood products industry employed an estimated 8,840 people[5] who provided the needed expertise and knowledge essential for sustainable forest management. Partnerships among private and public land owners facilitate land management practices such as fire hazard reduction, ecosystem restoration, and post-fire rehabilitation across the State. If the wood products industry were to disappear from the State, these management practices either would not be performed or out-of-state businesses and workers would have to be brought in to do the work with added travel and relocation costs.

WOOD PRODUCTS REVOLVING LOAN FUND PROGRAM CAPITALIZATION

To leverage the $7.5 million allocated by HB645, the MDOC applied for and was awarded a $2.7 million grant from the U.S. Department of Commerce, Economic Development Administration (EDA). The MDOC also put almost $1.5 million[6] of U.S. Department of Housing and Urban Development, Community Development Block Grant Recovery (CDBG-R) (American Recovery and Reinvestment Act) funds into the Wood Products RLF account. For a brief overview of each funding source, see Appendix B.

FIGURE 2

Wood Products RLF Capitalization Sources

$7.5 million	State General Fund, via HB645
$2.7 million	Economic Development Administration (EDA)
$1.5 million*	Community Development Block Grant - American Recovery and Reinvestment Act (CDBG-R)
$11.7 million	**Total Funding**

* Rounded figure. Actual allocated funding equals $1,495,199

[5] Ibid.

[6] Actual figure equals $1,495,199.

WOOD PRODUCTS RLF PROGRAM ADMINISTRATION

In June of 2009, the MDOC developed the application guidelines for administering the loans and began implementing the program. HB669 states that the MDOC was responsible for developing and reporting on reasonable outcome measures[7] to determine the success of the program. Data on employment, wages paid, and profitability was collected from the companies that received Wood Products RLF funding at the time they applied for funding. Companies with outstanding Wood Products RLF loans continue to report similar data to the MDOC on a regular basis.

TABLE 1

Total Wood Products RLF Funding, Total Employees at the Time of Application & Number of Companies Who Received Loans, June 2009 - March 2010

		Total RLF Lending	Total Employees	# of Companies
Original Funds Available	**$**	**11,295,199**	**---**	**---**
Month of Funding				
June 2009*	$	(554,717)	84	1
July 2009	$	-	-	-
August 2009	$	(4,705,000)	243	3
September 2009	$	(580,000)	36	1
October 2009	$	(1,540,000)	114	5
November 2009	$	(1,051,250)	138	3
December 2009	$	(1,613,300)	171	3
January 2010	$	(26,000)	2	1
February 2010**	$	(565,000)	14	1
March 2010	$	(630,199)	18	3
Total	**$**	**(11,265,466)**	**820**	**21**
Balance of Original Funds	**$**	**29,734**	**---**	**---**

* Represents funds distributed to the Missoula Area Economic Development Corporation (MAEDC) for purchase of Smurfit-Stone creditors' accounts receivables and to cover the administrative costs incurred while doing so.

** Two companies received funding in February 2010, but one company previously received additional funding in August 2009. That company's employment figures are represented in the August 2009 total.

From June of 2009 through March of 2010, 99.7 percent of the original Wood Products RLF source funding was loaned to 15 private Montana companies and one economic development organization (Table 1). An economic development organization, the Missoula Area Economic Development Corporation (MAEDC), purchased accounts receivables from 18 companies from the Smurfit-Stone bankruptcy[8] and approved loans to an additional five companies. **In total, $11.3 million was allocated to 20 private companies in the wood products industry through loans and 18 wood products companies had their Smurfit-Stone outstanding accounts receivables purchased.** Four of the companies that had their accounts receivables purchased also received Wood Products RLF loans (included in the 20 companies).

[7] Some of the performance measures included in the bill are the number of jobs retained or created, pay levels, growth of the local economy, and the financial status of the companies.

[8] The purchase of the accounts receivables from Smurfit-Stone creditors was a one-time payment with no additional reporting required; these transactions were not tied to continued employment standards.

Most of the Wood Products RLF loans were made with favorable terms for permanent working capital and equipment. Most of the principal and interest payments on the loans were deferred enabling the companies to remain in business without draining cash reserves from operations. Due to the payment deferment, most of the principal payments to the Wood Products RLF did not begin until the fall of 2011. Now that principal payments have started coming into the MDOC, the Wood Products RLF has started to re-capitalize. This creates revolved funds available to make new loans to Montana's wood products companies.

Since the original funding during the first year of program administration the Wood Products RLF has made ten more loans. **Using original and revolved funds, as of June 30, 2020 the MDOC has loaned over $20.5 million to 22 private businesses operating in Montana's wood products industry**. See Appendix C for a map including the locations of the companies that have received Wood Products RLF loans.

WOOD PRODUCTS RLF OUTCOME MEASURES *MCA 90-1-503*

To assess the progress and measure the success of the Wood Products RLF program per MCA 90-1-503, the loan recipient companies are required to submit regular reports on employment, profit/loss summaries, total sales, and assets.

No financial or employment obligations were set for the purchasing of Smurfit-Stone accounts receivables, so those recipients were not required to report any financial statements to the MAEDC or the MDOC. Therefore, the companies that did not also receive a Wood Products RLF loan (in all 14 companies) are not included in the analysis in this report. For a summary of the Smurfit-Stone accounts receivables purchased by MAEDC, see Appendix D.

USE OF WOOD PRODUCTS RLF FUNDS – PROJECT ACTIVITIES *MCA 90-1-503*

By March 2010, 99.7 percent of the original Wood Products RLF available funding was expended on loans to 20 private businesses operating in Montana's wood products industry and the purchase of Smurfit-Stone accounts receivable held by 18 companies. Since March of 2010, the Wood Products RLF has made ten additional loans using original and revolved program loan funds.

Based on the information and data provided by the Wood Products RLF recipients, the use of loan funds that provided the best overall results was for working capital. By providing businesses with long term loans at a low interest rate with deferred payments, most recipient companies have been able to continue covering current operating expenses. At the same time, this allowed the companies to preserve cash instead of using it for loan payments.

Legislation required that the funds from the state-funded Wood Products RLF be used for:

- Purchase or lease of land or equipment;
- Update of infrastructure, including retrofitting old infrastructure to facilitate new uses;
- Working capital;
- Debt service;
- Matching funds for grants or other loans that comply with the intent of the Wood Products RLF funding program; or
- Any other use the MDOC determines would sustain and grow the wood products industry.

The 22 companies that received Wood Products RLF loans as of June 30, 2020 were able to leverage the $20.5 million in loans to $39.5 million. Including the Wood Products RLF funding, $60 million has been spent in the State due to capital made available by the fund. Funds from the EDA and CDBG-R Wood

Products RLFs were primarily used for working capital and equipment loans along with other activities that did not include contracted labor or construction.

NUMBER OF JOBS CREATED OR RETAINED & PAY LEVELS *MCA 90-1-503*

As with all industries, companies in the wood products industry require workers with varying levels of skills and abilities. Using employment reports provided to the MDOC by the companies that received Wood Products RLF loans, workers were categorized into "skill" groups for reporting and analysis purposes. The skill categories are:

1. Managers, Professionals & Technicians;
2. Skilled;
3. Semi-skilled
4. Unskilled; and
5. Office & Clerical.

The owners and/or managers of the companies and highly professional or technical positions make up the *Managers, Professionals & Technicians* group. *Skilled* workers include sales representatives, mechanics, millwrights, electricians, craftsmen/women and other jobs that require a high level of training. *Semi-skilled* workers include truck drivers, dispatchers, and equipment operators; general laborers make up the *Unskilled* group; and *Office & Clerical* personnel include employees who handle data entry, correspondence, answer the phone and other similar office related tasks. These figures are detailed and summarized in the following *Annual Update* sections to fulfill a portion of the reporting requirements set forth by MCA 90-1-503.

FINANCIAL STATUS OF THE COMPANIES *MCA 90-1-503*

Analysis on the financial status of the companies that received Wood Products RLF loans was based on confidential profit/loss and sales reports submitted to the MDOC by the respective companies. Due to the confidential nature of the company specific financial reports, only average and relative summary figures are included in this report in the following *Annual Updates*.

Because not all of the businesses operate on the same fiscal year, the way in which profit/loss and sales are tracked and reported varies across companies. Also, there is a need to normalize seasonal and fiscal year end effects on marketing and sales decisions made by the companies. To compare profit/loss and sales figures across companies and over time, quarterly profit/loss and sales figures were estimated by disaggregating the data reported to the MDOC by the respective companies. To account for differences in fiscal year end dates across businesses, a calendar year quarterly time period system was adopted:

- Quarter 1: January 1st – March 31st;
- Quarter 2: April 1st – June 30th;
- Quarter 3: July 1st – September 30th; and
- Quarter 4: October 1st – December 31st.

Average quarterly calendar year profit/loss and sales figures were calculated for each of the participating companies and used to compare the financial status of the companies that had received Wood Product RLF loans over time to fulfill a portion of the reporting requirements set forth by MCA 90-1-503.

EMPLOYMENT IMPACTS ON LOCAL PRODUCTION *MCA 90-1-503*

Like all industries, Montana's wood products industry is an interconnected mixture of companies in sub-industries specializing in the production and supply of different kinds of goods and services. Turning standing timber into marketable materials such as flooring and plywood takes logging and trucking companies, sawmills, wood products manufacturers, and others. If one link in the supply chain fails (i.e. there are no trucking companies to get the trees out of the forest), it jeopardizes the integrity of the industry. The Montana businesses that received Wood Products RLF loans specialize in the production of diverse goods and services integral at various levels in the State's wood products industry.

In general, additional workers create increased production, or output, of goods and services sold in the economy; this is, by one definition, economic growth. One measure of the impact employment has on the economy is *output per worker* which is defined to equal the total estimated output (i.e. goods and services) an industry produces divided by the total number of employees in the respective industry. This measure can be interpreted as the "output value" of a worker in a particular industry.

Companies that received Wood Products RLF loans were grouped using the North American Industry Classification System (NAICS) based on what types of goods and services they produce and provide within the economy. Using economic modeling software (Implan[9] Montana state multiplier models), an estimated average output per worker across the industries was calculated.

The estimated average output per worker was then applied to the reported total employment of the Montana companies who had outstanding Wood Products RLF loans to estimate total output value of workers for each of the respective *Annual Updates.* The reported estimated total output value of workers employed by the companies with outstanding Wood Products RLF loans and its contribution to local economic growth fulfills a portion of the reporting requirements set forth by MCA 90-1-503.

TAXABLE VALUE OF PROPERTY *MCA 90-1-503*

Data on the market value for commercial and industrial property (both land and buildings) is available from the Montana Department of Revenue (MDOR) upon request. Data on property value was provided by MDOR for tax years 2011 through 2019. For the years 2011 through 2013, tax year specific comstead and homestead exemptions along with the respective taxable rates were applied to the respective market value of property owned by businesses with Wood Products RLF loans. For the *Annual Update 2010*, the 2010 comstead and homestead exemptions along with the respective 2010 taxable rates were applied to the 2011 market value of property data provided by MDOR. For the *Annual Update 2014*, the 2014 comstead and homestead exemptions along with the respective 2014 taxable rates were applied to the 2013 market value of property data provided by MDOR. The 64th Legislature (convened in January of 2015) adjusted the Montana property tax code by eliminating the homestead and comstead exemptions.

The market and taxable values for Class Eight – Business Equipment Property – owned by the businesses analyzed in this report were supplied by the MDOR upon request. MDOR continually updates the Class Eight property file with the most recent market and taxable values. A summary of available data on the market and taxable value of the land, improvements, and equipment owned by the respective companies that received Wood Products RLF loans is detailed in the respective *Annual Updates* and fulfills a portion of the reporting requirements set forth by MCA 90-1-503.

[9] Implan (a product of the IMPLAN Group www.implan.com) is an input/output type model which assumes constant returns per investment dollar, prices are not affected in the model, and the economic structure within the model region will remain unchanged. These conditions are necessary for input/output model estimation of this kind. See the respective *Annual Updates* for details on what Implan model year was used to estimate average output per worker.

ANNUAL UPDATES

The following *Annual Updates* (2009 – 2020) satisfy the reporting requirements for the Wood Products RLF program per MCA (2019) 90-1-503:

> **90-1-503. Outcome measures.** (1) The department of commerce shall develop reasonable outcome measures by which the success of the distressed wood products industry revolving loan program provided for in this part must be measured on an annual basis. Minimal outcome that must be measured includes:
>
> (a) the uses of loan funds that provided the best overall results; and
>
> (b) a determination of the overall success of the loan program, including but not limited to the number of jobs created or retained, pay levels, financial status, reports on project activities, the growth of a local economy, and the taxable value of property or equipment.
>
> (2) The department may require information from entities receiving loans in order to measure outcome.
>
> (3) In accordance with 5-11-210, the department shall provide a status report of the distressed wood products industry loan account to the economic affairs interim committee provided for in 5-5-223.
>
> **History:** En. Sec. 3, Ch. 484, L. 2009.

For the most current information and summary of the Wood Products RLF program, please refer to the most recent *Annual Update* – 2020.

WOOD PRODUCTS REVOLVING LOAN FUND – 2009 ANNUAL UPDATE

As of the calendar year end 2009 there were 15 Montana companies vested in the wood products industry that had current loans through the Wood Products Revolving Loan Fund (referred to as the Wood Products RLF hereafter).

In February of 2010 one business who received a loan from the initial funding of the program, **Wedge Wood Products, LLC** located in Lincoln County, lost everything to a structural fire where their offices and operations were located. The company has still committed to paying back its Wood Products RLF loan to the MDOC; but, due to that fire, Wedge Wood Products, LLC could not supply the MDOC with any accounting statements. The analysis that follows omits Wedge Wood Products, LLC financial figures.

Wood Products Revolving Loan Fund Funding Summary, Calendar Year 2009

			Wood Products RLF			
Business Name	**Loan Admin.***	**Loan Date**	**EDA**	**State**	**CDBG-R**	**Total**
Original Funds Available	**--**	**--**	**$ 5,000,000**	**$ 4,800,000**	**$ 1,495,199**	**$ 11,295,199**
MAEDC - Smurfit Stone Total**	MDOC	6/1/2009	$ -	$ (539,000)	$ -	$ (539,000)
MAEDC - Administrative Costs**	MDOC	6/1/2009	$ -	$ (15,717)	$ -	$ (15,717)
Kelly Logging, Inc.	MDOC	8/6/2009	$ (250,000)	$ (830,000)	$ -	$ (1,080,000)
Pyramid Mountain Lumber, Inc.	MDOC	8/6/2009	$ (1,000,000)	$ (1,000,000)	$ -	$ (2,000,000)
Sun Mountain Lumber, Inc.	MDOC	8/6/2009	$ (1,625,000)	$ -	$ (355,000)	$ (1,980,000)
J & R Planing, Inc.	MDOC	9/23/2009	$ -	$ (580,000)	$ -	$ (580,000)
McFarland Logging	MAEDC	10/1/2009	$ -	$ (180,000)	$ -	$ (180,000)
Hanson Trucking, Inc.	MDOC	10/2/2009	$ -	$ (175,000)	$ -	$ (175,000)
SACS Trucking, Inc.	MAEDC	10/9/2009	$ -	$ (125,000)	$ -	$ (125,000)
Neville Log Homes, Inc.	MDOC	10/20/2009	$ (250,000)	$ (380,000)	$ (400,000)	$ (1,030,000)
Wedge Wood Products LLC	MAEDC	10/30/2009	$ -	$ (30,000)	$ -	$ (30,000)
F.H. Stoltze Land & Lumber Comp.	MDOC	11/4/2009	$ (721,250)	$ -	$ -	$ (721,250)
Parke Logging, Inc.	MDOC	11/12/2009	$ (300,000)	$ -	$ -	$ (300,000)
Luck-E-G of Montana, Inc.	MDOC	11/30/2009	$ -	$ (30,000)	$ -	$ (30,000)
Tricon Timber, LLC	MDOC	12/21/2009	$ (80,000)	$ (703,300)	$ -	$ (783,300)
Rocky Mountain Holding Comp.	MDOC	12/28/2009	$ (750,000)	$ -	$ -	$ (750,000)
Timber Solutions, Inc.	MDOC	12/29/2009	$ -	$ (80,000)	$ -	$ (80,000)
Total Lending - CY 2009	**--**	**--**	**$ (4,976,250)**	**$ (4,668,017)**	**$ (755,000)**	**$ (10,399,267)**
Remaining Funds Available	**--**	**--**	**$ 23,750**	**$ 131,984**	**$ 740,199**	**$ 895,933**

* *Loan Admin* represents the organization who administered the respective loan; "MDOC" is the Montana Department of Commerce, "MAEDC" is the Missoula Area Economic Development Corporation.

** Represents the funding used to purchase accounts receivables from Smurfit-Stone creditors, money used for administrative costs incured while doing so, and the remainder (which was transferred to MDOC during MAEDC disolutions).

Wood Products Revolving Loan Funding & Total Project Amount Summary, Calendar Year 2009

Business Name	Loan Date	Total Wood Products RLF	Other MDOC Funding	Total MDOC Funding	Leverage Amounts	Total Project Amount
MAEDC - Smurfit Stone Total**	6/1/2009	$ (539,000)	$ -	$ (539,000)	$ -	$ (539,000)
MAEDC - Administrative Costs	6/1/2009	$ (15,717)	$ -	$ (15,717)	$ -	$ (15,717)
Kelly Logging, Inc.	8/6/2009	$ (1,080,000)	$ -	$ (1,080,000)	$ (1,049,187)	$ (2,129,187)
Pyramid Mountain Lumber, Inc.	8/6/2009	$ (2,000,000)	$ -	$ (2,000,000)	$ (2,415,000)	$ (4,415,000)
Sun Mountain Lumber, Inc.	8/6/2009	$ (1,980,000)	$ -	$ (1,980,000)	$ (3,850,000)	$ (5,830,000)
J & R Planing, Inc.	9/23/2009	$ (580,000)	$ -	$ (580,000)	$ (580,319)	$ (1,160,319)
McFarland Logging	10/1/2009	$ (180,000)	$ -	$ (180,000)	$ (100,000)	$ (280,000)
Hanson Trucking, Inc.	10/2/2009	$ (175,000)	$ -	$ (175,000)	$ (175,000)	$ (350,000)
SACS Trucking, Inc.	10/9/2009	$ (125,000)	$ -	$ (125,000)	$ (125,000)	$ (250,000)
Neville Log Homes, Inc.	10/20/2009	$ (1,030,000)	$ -	$ (1,030,000)	$ (1,280,572)	$ (2,310,572)
Wedge Wood Products LLC	10/30/2009	$ (30,000)	$ -	$ (30,000)	$ (30,000)	$ (60,000)
F.H. Stoltze Land & Lumber Comp.	11/4/2009	$ (721,250)	$ -	$ (721,250)	$ (1,523,239)	$ (2,244,489)
Parke Logging, Inc.	11/12/2009	$ (300,000)	$ -	$ (300,000)	$ (645,600)	$ (945,600)
Luck-E-G of Montana, Inc.	11/30/2009	$ (30,000)	$ -	$ (30,000)	$ (30,000)	$ (60,000)
Tricon Timber, LLC	12/21/2009	$ (783,300)	$ -	$ (783,300)	$ (2,300,000)	$ (3,083,300)
Rocky Mountain Holding Comp.	12/28/2009	$ (750,000)	$ -	$ (750,000)	$ (5,500,000)	$ (6,250,000)
Timber Solutions, Inc.	12/29/2009	$ (80,000)	$ -	$ (80,000)	$ (80,335)	$ (160,335)
TOTAL (*millions $*)	--	**$ (10.399)**	**$ -**	**$ (10.399)**	**$ (19.684)**	**$ (30.084)**

** Represents the funding used to purchase accounts receivables from Smurfit-Stone creditors, money used for administrative costs incurred while doing so, and the remainder (which was transferred to the MDOC during MAEDC disolutions).

EMPLOYMENT & LABOR INCOME

As of calendar year end 2009, the 15 Montana businesses in the wood products industry that received loans from the MDOC Wood Products RLF employed 702 people with an average annual salary of $35,113. Most of these positions were skilled and semi-skilled jobs receiving, on average, $37,181 and $29,711 in annual wages and salaries, respectively.

Employment by Skill Category For Businesses with Outstanding Wood Products RLF Loans, 2009

Number of Companies with Outstanding Wood Products RLF Loan: 15
Number of Companies That Reported Figures: 15

Business Name	Date of First Loan	Total Employees	% Change From Prior Year	% Change from Year of 1st Loan	Manager/ Prof.	Skilled	Semi-Skilled	Unskilled	Office/ Clerical
Kelly Logging, Inc.	8/6/2009	21	n/a	n/a	1	16	0	0	4
Pyramid Mountain Lumber, Inc.	8/6/2009	113	n/a	n/a	8	42	36	24	3
Sun Mountain Lumber, Inc.	8/6/2009	109	n/a	n/a	16	28	40	18	7
J & R Planing, Inc.	9/23/2009	36	n/a	n/a	4	8	9	12	3
McFarland Logging	10/1/2009	5	n/a	n/a	0	4	0	0	1
Hanson Trucking, Inc.	10/2/2009	50	n/a	n/a	0	6	34	0	10
SACS Trucking, Inc.	10/9/2009	39	n/a	n/a	3	5	28	0	3
Neville Log Homes, Inc.	10/20/2009	18	n/a	n/a	3	9	3	0	3
Wedge Wood Products LLC	10/30/2009	2	n/a	n/a	2	0	0	0	0
F.H. Stoltze Land & Lumber Comp.	11/4/2009	111	n/a	n/a	15	43	43	7	3
Parke Logging, Inc.	11/12/2009	21	n/a	n/a	5	8	8	0	0
Luck-E-G of Montana, Inc.	11/30/2009	6	n/a	n/a	1	1	0	3	1
Tricon Timber, LLC	12/21/2009	81	n/a	n/a	12	16	48	3	2
Rocky Mountain Holding Comp.	12/28/2009	88	n/a	n/a	23	30	11	13	11
Timber Solutions, Inc.	12/29/2009	2	n/a	n/a	2	0	0	0	0
TOTAL / AVERAGE % CHANGE		**702**	**n/a**	**n/a**	**95**	**216**	**260**	**80**	**51**

Summary of Employment & Labor Income by Skill Category, 2009

Number of Companies That Reported Figures: 15

	Employees		Wages Paid to Employees	
Skill Category	**Number**	**% of Total**	**Annual Total**	**Annual Avg.**
Managers/Professional	95	13.5%	$ 5,322,583	$ 56,027
Skilled	216	30.8%	$ 8,031,007	$ 37,181
Semi-skilled	260	37.0%	$ 7,724,933	$ 29,711
Unskilled	80	11.4%	$ 1,935,967	$ 24,200
Office & Clerical	51	7.3%	$ 1,635,061	$ 32,060
TOTAL	**702**	**100%**	**$ 24,649,551**	**$ 35,113**

FINANCIAL STATUS OF COMPANIES

Of the 15 companies with Wood Products RLF loans at the end of calendar year 2009, 14 reported confidential profit and loss summaries as well as sales figures to the MDOC. The company that did not report any financial figures, Wedge Wood Products LLC, was destroyed by a structure fire in February 2010 where all its records were destroyed.

Average quarterly sales across all reporting companies was equal to $1,612,640 during calendar year 2009. Of the 14 reporting companies, 35.7 percent (5 companies) were profitable; across all companies, on average they were operating at an average loss of $87,900 per quarter during the period.

EMPLOYMENT IMPACTS ON LOCAL PRODUCTION

As of calendar year end 2009, the average output per worker across the industries Wood Products RLF loan recipients did business in was equal to $186,726 per worker. That calculates to an estimated impact of the 702 employees working for the 15 reporting companies of $131.1 million in production within the Montana economy.

Estimated Output Value of Workers Employed by Companies with Wood Products RLF Loans, CY 2009

Number of Reporting Companies	Total Number of Employees	Average Output Value per Worker*	Total Output Value of Employees
15	702	$ 186,726	**$ 131,081,864**

* Source: Implan 2009 Montana State Multiplier Model

TAXABLE VALUE OF PROPERTY

Real property (Class 3, 4, and 8 properties) and business equipment (Class 8 property) market values are available from the Montana Department of Revenue on a current basis. There was no available data at the time of this analysis due to the retroactive nature of this report. Please refer to the later *Annual Updates* for analysis and summary of the market and taxable value of property owned by companies with Wood Products RLF loans.

WOOD PRODUCTS REVOLVING LOAN FUND – 2010 ANNUAL UPDATE

As of June 30th, 2010 there were 20 Montana companies vested in the wood products industry that had current loans through the Wood Products Revolving Loan Fund (referred to as the Wood Products RLF hereafter). Of the 20 companies with Wood Products RLF loans, all 20 reported employment figures and 19 reported financial figures to the MDOC.

Wedge Wood Products, LLC is still committed to paying back its Wood Products RLF loan to the MDOC; but, due to the 2010 fire, the company is not really operational and had no financial statements to report to MDOC. The analysis that follows omits Wedge Wood Products, LLC financial figures.

Wood Products Revolving Loan Fund Funding Summary as of June 30, 2010

			Wood Products RLF			
Business Name	**Loan Admin.***	**Loan Date**	**EDA**	**State**	**CDBG-R**	**Total**
Total Lending - CY 2009	--	--	$ (4,976,250)	$ (4,668,017)	$ (755,000)	$ (10,399,267)
Jubilee Transport LLC	MAEDC	1/9/2010	$ -	$ (26,000)	$ -	$ (26,000)
Smith Logging, Inc.	MDOC	2/12/2010	$ -	$ -	$ (210,000)	$ (210,000)
Centennial Wood Products, Inc.	MDOC	3/1/2010	$ -	$ -	$ (271,796)	$ (271,796)
Gary Bailey Logging, Inc.	MAEDC	3/19/2010	$ -	$ (100,000)	$ -	$ (100,000)
John Jump Trucking, Inc.	MDOC	3/24/2010	$ -	$ -	$ (258,403)	$ (258,403)
Total Lending as of June 30, 2010	**--**	**--**	**$ (4,976,250)**	**$ (4,794,017)**	**$ (1,495,199)**	**$ (11,265,466)**
Original Funds Available	--	--	$ 23,750	$ 5,984	$ -	$ 29,734
Revolved Funds Available	--	--	$ -	$ 14,241	$ -	$ 14,241
Total Available Funds	**--**	**--**	**$ 23,750**	**$ 20,224**	**$ -**	**$ 43,974**

* *Loan Admin* represents the organization who administered the respective loan; "MDOC" is the Montana Department of Commerce, "MAEDC" is the Missoula Area Economic Development Corporation.

Wood Products Revolving Loan Funding & Total Project Amount Summary as of June 30, 2010

Business Name	**Loan Date**	**Total Wood Products RLF**	**Other MDOC Funding**	**Total MDOC Funding**	**Leverage Amounts**	**Total Project Amount**
Total - CY 2009 (*millions $)*	--	$ (10.399)	$ -	$ (10.399)	$ (19.684)	$ (30.084)
Jubilee Transport LLC	1/9/2010	$ (26,000)	$ -	$ (26,000)	$ (93,000)	$ (119,000)
Smith Logging, Inc.	2/12/2010	$ (210,000)	$ -	$ (210,000)	$ (235,000)	$ (445,000)
Centennial Wood Products	3/1/2010	$ (271,796)	$ (13,590)	$ (285,386)	$ (574,944)	$ (860,330)
Gary Bailey Logging, Inc.	3/19/2010	$ (100,000)	$ -	$ (100,000)	$ (350,000)	$ (450,000)
John Jump Trucking, Inc.	3/24/2010	$ (258,403)	$ (91,670)	$ (350,073)	$ (720,000)	$ (1,070,073)
TOTAL (*millions $)*	**--**	**$ (11.265)**	**$ (0.105)**	**$ (11.371)**	**$ (21.657)**	**$ (33.028)**

EMPLOYMENT & LABOR INCOME

As of June 30, 2010 the 20 Montana businesses in the wood products industry that received loans from the MDOC Wood Products RLF employed 801 people with an average annual salary of $33,814 – a decline of 3.7 percent over the prior period. Most of these positions were skilled and semi-skilled jobs receiving, on average, $35,560 and $29,711 in annual wages and salaries, respectively.

Compared to the prior period (calendar year 2009), on average there was 5.1 percent growth in total employment across the companies with Wood Products RLF loans.

Employment by Skill Category For Businesses with Outstanding Wood Products RLF Loans as of June 30, 2010

Number of Companies with Outstanding Wood Products RLF Loan: 20
Number of Companies That Reported Figures: 20

Business Name	Date of First Loan	Total Employees	% Change From Prior Year	% Change from Year of 1st Loan	Manager/ Prof.	Skilled	Semi-Skilled	Unskilled	Office/ Clerical
Kelly Logging, Inc.	8/6/2009	22	4.8%	4.8%	1	18	0	0	3
Pyramid Mountain Lumber, Inc.	8/6/2009	140	23.9%	23.9%	7	45	34	51	3
Sun Mountain Lumber, Inc.	8/6/2009	108	-0.9%	-0.9%	15	28	36	22	7
J & R Planing, Inc.	9/23/2009	33	-8.3%	-8.3%	3	7	9	11	3
McFarland Logging	10/1/2009	1	-80.0%	-80.0%	0	1	0	0	0
Hanson Trucking, Inc.	10/2/2009	63	26.0%	26.0%	0	6	9	0	48
SACS Trucking, Inc.	10/9/2009	39	0.0%	0.0%	3	5	28	0	3
Neville Log Homes, Inc.	10/20/2009	21	16.7%	16.7%	3	10	5	0	3
Wedge Wood Products LLC	10/30/2009	2	0.0%	0.0%	2	0	0	0	0
F.H. Stoltze Land & Lumber Comp.	11/4/2009	111	0.0%	0.0%	15	42	41	10	3
Parke Logging, Inc.	11/12/2009	20	-4.8%	-4.8%	4	7	9	0	0
Luck-E-G of Montana, Inc.	11/30/2009	7	16.7%	16.7%	1	1	0	4	1
Tricon Timber, LLC	12/21/2009	111	37.0%	37.0%	12	19	52	25	3
Rocky Mountain Holding Comp.	12/28/2009	84	-4.5%	-4.5%	22	29	10	14	9
Timber Solutions, Inc.	12/29/2009	3	50.0%	50.0%	2	0	0	0	1
Jubilee Transport LLC	1/9/2010	2	n/a	n/a	2	0	0	0	0
Smith Logging, Inc.	2/12/2010	14	n/a	n/a	0	0	0	14	0
Centennial Wood Products, Inc.	3/1/2010	5	n/a	n/a	1	4	0	0	0
Gary Bailey Logging, Inc.	3/19/2010	7	n/a	n/a	2	0	5	0	0
John Jump Trucking, Inc.	3/24/2010	8	n/a	n/a	4	3	0	0	1
TOTAL / AVERAGE % CHANGE		**801**	**5.1%**	**5.1%**	**99**	**225**	**238**	**151**	**88**

Summary of Employment & Labor Income by Skill Category, June 30, 2010

Number of Companies That Reported Figures: 20

	Employees		Wages Paid to Employees	
Skill Category	**Number**	**% of Total**	**Annual Total**	**Annual Avg.**
Managers/Professional	99	12.4%	$ 5,408,142	$ 54,628
Skilled	225	28.1%	$ 8,000,957	$ 35,560
Semi-skilled	238	29.7%	$ 7,373,890	$ 30,983
Unskilled	151	18.9%	$ 3,919,329	$ 25,956
Office & Clerical	88	11.0%	$ 2,382,919	$ 27,079
TOTAL	**801**	**100%**	**$ 27,085,237**	**$ 33,814**

FINANCIAL STATUS OF COMPANIES

Of the 20 companies with Wood Products RLF loans as of June 30, 2010, 19 reported confidential profit and loss summaries as well as sales figures to the MDOC. See page 16 of this report for an explanation of why some company financial figures were not reported to the MDOC.

Average quarterly sales across all reporting companies was equal to $1,653,703 during calendar year 2010 representing an increase of 2.5 percent over the prior period (calendar year 2009). As companies pay off their Wood Products RLF loans they no longer report financial figures to the MDOC and as loans are added to the program's portfolio new companies begin reporting. Because of the changing make-up of the Wood Products RLF loan portfolio, comparing average financial figures from year to year for the program may be misleading.

To measure the financial status of companies with Wood Products RLF loans reporting to the MDOC while addressing the issue of a changing loan portfolio, each company's financial figures are compared to those from the previous year and then averaged across all companies. Of the companies that reported financial figures for the prior period (14 companies), ten (71.4 percent) realized an increase in average quarterly sales during 2010 compared to their sales in 2009 with an average growth across all companies in quarterly sales of 88.2 percent.

Of the 19 reporting companies, 63.2 percent (12 companies) were profitable; across all companies, on average they were operating at an average profit of $48,115 per quarter during the period. Of the companies that reported financial figures for the prior period, 64.3 percent (9 companies) had better average quarterly profits/losses than 2009.

EMPLOYMENT IMPACTS ON LOCAL PRODUCTION

As of June 30, 2010, the average output per worker across the industries Wood Products RLF loan recipients did business in was equal to $178,324 per worker. That calculates to an estimated impact of the 801 employees working for the 20 reporting companies of $142.8 million in production within the Montana economy.

On average, estimated output per worker decreased by 4.5 percent however, total output value of employees working for the 20 companies with Wood Products RLF loans increased by 9.0 percent from the previous year.

Estimated Output Value of Workers Employed by Companies with Wood Products RLF Loans as of June 30, 2010

Number of Reporting Companies	Total Number of Employees	Average Output Value per Worker*	Total Output Value of Employees
20	801	$ 178,324	**$ 142,837,238**

* Source: Implan 2010 Montana State Multiplier Model

TAXABLE VALUE OF PROPERTY

As of June 30, 2010 companies with Wood Products RLF loans owned land and improvements valued at over $48 million by the Montana Department of Revenue (MDOR). These figures reflect 2011 market valuations from MDOR because 2010 figures were not available at the time this report was compiled. The 2010 commercial and residential exemptions along with the taxable rates were applied to the 2011 market values to estimate the taxable value of property held by Wood Product RLF loan recipients equal to $555,950.

Business equipment market and taxable value figures for 2010 were not available at the time this report was compiled for reasons discussed above (see "Wood Product RLF Outcome Measures – Taxable Value of Property" on page 10).

Market & Taxable Value of Property Owned by Companies with Wood Products RLF Loans as of June 30, 2010[1]

Property Type[2]	Market Value 2010	Taxable Value 2010
Class 3, 4 & 10 - Land	$ 31,992,132	$ 171,670
Class 4 - Improvements	$ 16,246,730	$ 384,280
Class 8 - Equipment[3]	n/a	n/a
Total	**$ 48,238,862**	**$ 555,950**

1. Property market values from 2011 were used with 2010 tax rates applied to them; 2010 market values were not available.

2. *Class 3 - Land* is grazing land and non-qualified ag land; *Class 4 - Land* is tract land, town lots, industrial land, and building sites on non-qualified ag land; *Class 10 - Land* is forestland.

3. *Class 8 - Equipment* data is only available on a current basis from the Montana Department of Revenue; data for 2010 was not available.

WOOD PRODUCTS REVOLVING LOAN FUND – 2011 ANNUAL UPDATE

As of June 30th, 2011 there were 19 Montana companies vested in the wood products industry that had current loans through the Wood Products Revolving Loan Fund (referred to as the Wood Products RLF hereafter). From June 30, 2010 to June 30, 2011 no new Wood Products RLF loans were awarded.

Jubilee Transport LLC paid its Wood Products RLF loan in full in May 2011 releasing them from the reporting obligations; the company is omitted from the following employment and financial analysis.

Of the 19 companies with Wood Products RLF loans, 17 reported employment and financial figures to the MDOC.

Wedge Wood Products, LLC is still committed to paying back its Wood Products RLF loan to the MDOC; but, due to the 2010 fire, the company is not really operational and had no employment or financial statements to report to MDOC. The analysis that follows omits Wedge Wood Products, LLC figures.

Neville Log Homes, Inc. closed for operation in November of 2010. Subsequently, the company had no employment or financial figures to report to the MDOC so that company is omitted from the following analysis.

Wood Products Revolving Loan Fund Funding Summary as of June 30, 2011

			Wood Products RLF			
Business Name	**Loan Admin.***	**Loan Date**	**EDA**	**State**	**CDBG-R**	**Total**
Total Lending as of June 30, 2010	--	--	$ (4,976,250)	$ (4,794,017)	$ (1,495,199)	$ (11,265,466)
Total Lending as of June 30, 2011	**--**	**--**	**$ (4,976,250)**	**$ (4,794,017)**	**$(1,495,199)**	**$ (11,265,466)**
Original Funds Available	--	--	$ 23,750	$ 5,984	$ -	$ 29,734
Revolved Funds Available	--	--	$ 149,552	$ 139,215	$ -	$ 288,767
Total Available Funds	**--**	**--**	**$ 173,302**	**$ 145,199**	**$ -**	**$ 318,501**

* *Loan Admin* represents the organization who administered the respective loan; "MDOC" is the Montana Department of Commerce, "MAEDC" is the Missoula Area Economic Development Corporation.

Wood Products Revolving Loan Funding & Total Project Amount Summary as of June 30, 2011

Business Name	**Loan Date**	**Total Wood Products RLF**	**Other MDOC Funding**	**Total MDOC Funding**	**Leverage Amounts**	**Total Project Amount**
Total as of June 30, 2010 *(millions $)*	--	$ (11.265)	$ (0.105)	$ (11.371)	$ (21.657)	$ (33.028)
No New Loans Administered	--	--	--	--	--	--
TOTAL (*millions $*)	**--**	**$ (11.265)**	**$ (0.105)**	**$ (11.371)**	**$ (21.657)**	**$ (33.028)**

EMPLOYMENT & LABOR INCOME

As of June 30, 2011 the 17 Montana businesses in the wood products industry that received loans from the MDOC Wood Products RLF and reported employment figures to the MDOC (see page 20 for an explanation of non-reporting companies) employed 861 people with an average annual salary of $34,417 – a 1.8 percent increase over the prior period. Most of these positions were skilled and semi-skilled jobs receiving, on average, $36,402 and $29,411 in annual wages and salaries, respectively.

Compared to the prior period (June 30, 2010), on average there was 4.0 percent growth in total employment across companies who were still reporting employment figures to MDOC. Compared to the first year the respective company received its Wood Products RLF loan, there was an average of 13.2 percent increase in total employment across the companies.

Employment by Skill Category For Businesses with Outstanding Wood Products RLF Loans as of June 30, 2011

Number of Companies with Outstanding Wood Products RLF Loan: 19
Number of Companies That Reported Figures: 17

Business Name	Date of First Loan	Total Employees	% Change From Prior Year	% Change from Year of 1st Loan	Manager/ Prof.	Skilled	Semi-Skilled	Unskilled	Office/ Clerical
Kelly Logging, Inc.	8/6/2009	20	-9.1%	-4.8%	1	16	0	0	3
Pyramid Mountain Lumber, Inc.	8/6/2009	158	12.9%	39.8%	7	47	38	62	4
Sun Mountain Lumber, Inc.	8/6/2009	118	9.3%	8.3%	15	23	33	34	13
J & R Planing, Inc.	9/23/2009	28	-15.2%	-22.2%	5	4	10	6	3
McFarland Logging	10/1/2009	0	-100.0%	-100.0%	0	0	0	0	0
Hanson Trucking, Inc.	10/2/2009	66	4.8%	32.0%	0	8	49	0	9
SACS Trucking, Inc.	10/9/2009	42	7.7%	7.7%	3	5	31	0	3
Neville Log Homes, Inc.	10/20/2009	--	--	--	--	--	--	--	--
Wedge Wood Products LLC	10/30/2009	--	--	--	--	--	--	--	--
F.H. Stoltze Land & Lumber Comp.	11/4/2009	116	4.5%	4.5%	15	43	44	11	3
Parke Logging, Inc.	11/12/2009	20	0.0%	-4.8%	5	8	7	0	0
Luck-E-G of Montana, Inc.	11/30/2009	6	-14.3%	0.0%	1	0	0	4	1
Tricon Timber, LLC	12/21/2009	155	39.6%	91.4%	14	36	81	20	4
Rocky Mountain Holding Comp.	12/28/2009	89	6.0%	1.1%	20	31	9	21	8
Timber Solutions, Inc.	12/29/2009	3	0.0%	50.0%	2	0	0	0	1
Jubilee Transport LLC	1/9/2010	--	--	--	--	--	--	--	--
Smith Logging, Inc.	2/12/2010	14	0.0%	0.0%	0	0	0	14	0
Centennial Wood Products, Inc.	3/1/2010	12	140.0%	140.0%	1	11	0	0	0
Gary Bailey Logging, Inc.	3/19/2010	4	-42.9%	-42.9%	0	0	4	0	0
John Jump Trucking, Inc.	3/24/2010	10	25.0%	25.0%	4	6	0	0	0
TOTAL / AVERAGE % CHANGE		**861**	**4.0%**	**13.2%**	**93**	**238**	**306**	**172**	**52**

Summary of Employment & Labor Income by Skill Category, June 30, 2011

Number of Companies That Reported Figures: 17

	Employees		Wages Paid to Employees	
Skill Category	**Number**	**% of Total**	**Annual Total**	**Annual Avg.**
Managers/Professional	93	10.8%	$ 5,515,206	$ 59,303
Skilled	238	27.6%	$ 8,663,568	$ 36,402
Semi-skilled	306	35.5%	$ 8,999,661	$ 29,411
Unskilled	172	20.0%	$ 4,648,224	$ 27,025
Office & Clerical	52	6.0%	$ 1,806,546	$ 34,741
TOTAL	**861**	**100%**	**$ 29,633,205**	**$ 34,417**

FINANCIAL STATUS OF COMPANIES

Of the 19 companies with Wood Products RLF loans as of June 30, 2011, 17 reported confidential profit and loss summaries as well as sales figures to the MDOC. See page 20 of this report for an explanation of why some company financial figures were not reported to the MDOC.

Average quarterly sales across all reporting companies was equal to $1,931,616 during calendar year 2011 representing an increase of 16.8 percent over the prior period (calendar year 2010) and 19.8 percent increase over calendar year 2009. As companies pay off their Wood Products RLF loans they no longer report financial figures to the MDOC and as loans are added to the program's portfolio new companies begin reporting. Because of the changing make-up of the Wood Products RLF loan portfolio, comparing average financial figures from year to year for the program may be misleading.

To measure the financial status of companies with Wood Products RLF loans reporting to the MDOC while addressing the issue of a changing loan portfolio, each company's financial figures are compared to those from the previous year and then averaged across all companies. Of the companies that reported financial figures for the prior period (17 companies), eight (47.1 percent) realized an increase in average quarterly sales during 2011 compared to their sales in 2010 with an average growth across all companies in quarterly sales of 6.4 percent. Nine companies (52.9 percent) had better quarterly sales than during the year in which they received their first Wood Products RLF loan with an average growth of 70.4 percent over the respective year.

Of the 17 reporting companies, 52.9 percent (9 companies) were profitable; across all companies, on average they were operating at an average loss of $23,539 per quarter during the period. Ten companies (58.8 percent) had better average quarterly profits/losses than they did in 2010 and during the year in which they received their first Wood Products RLF loan.

EMPLOYMENT IMPACTS ON LOCAL PRODUCTION

As of June 30, 2011, the average output per worker across the industries Wood Products RLF loan recipients did business in was equal to $199,666 per worker. That calculates to an estimated impact of the 861 employees working for the 17 reporting companies of $171.9 million in production within the Montana economy.

Compared to the previous period (June 30, 2010), on average, estimated output per worker increased by 12.0 percent representing a total output value of employment increase of 20.4 percent. Looking back to 2009, these figures represent a 6.9 percent increase in average output per worker and a 31.1 percent increase in the total output value of employees.

Estimated Output Value of Workers Employed by Companies with Wood Products RLF Loans as of June 30, 2011

Number of Reporting Companies	Total Number of Employees	Average Output Value per Worker*	Total Output Value of Employees
17	861	$ 199,666	**$ 171,912,596**

* Source: Implan 2011 Montana State Multiplier Model

TAXABLE VALUE OF PROPERTY

As of June 30, 2011 companies with Wood Products RLF loans owned land and improvements valued at over $48 million by the Montana Department of Revenue. That represents a taxable value of nearly $528 thousand worth of property in 2011.

Business equipment market and taxable value figures for 2011 were not available at the time this report was compiled for reasons discussed above (see "Wood Product RLF Outcome Measures – Taxable Value of Property" on page 10).

Market & Taxable Value of Property Owned by Companies with Wood Products RLF Loans as of June 30, 2011

Property Type[1]	Market Value 2011	Taxable Value 2011
Class 3, 4 & 10 - Land	$ 31,992,132	$ 164,187
Class 4 - Improvements	$ 16,246,730	$ 363,553
Class 8 - Equipment[2]	n/a	n/a
Total	**$ 48,238,862**	**$ 527,740**

1. *Class 3 - Land* is grazing land and non-qualified ag land; *Class 4 - Land* is tract land, town lots, industrial land, and building sites on non-qualified ag land; *Class 10 - Land* is forestland.

2. *Class 8 - Equipment* data is only available on a current basis from the Montana Department of Revenue; data for 2011 was not available.

WOOD PRODUCTS REVOLVING LOAN FUND – 2012 ANNUAL UPDATE

In July 2011, the Board of Directors for the Missoula Area Economic Development Corporation (MAEDC) voted to disband the organization. The assets held by MAEDC in their Wood Products Loan portfolio were transferred to the MDOC for continued administration. This asset transfer was finalized in October of 2011 and is detailed in the table below.

Wood Products RLF - MAEDC Asset Transfers to the MDOC, October 2011

MAEDC Assets	Funding
Revolving Loan Fund Cash Balance	$ 316,916
Loans Outstanding	$ 418,670
Lien on Stimson Lumber Company	$ 179,799
Total of Assets	**$ 915,385**

As of June 30th, 2012 there were 19 Montana companies vested in the wood products industry that had current loans through the Wood Products Revolving Loan Fund (referred to as the Wood Products RLF hereafter). From June 30, 2011 to June 20, 2012 one new Wood Products RLF loan was awarded to John Jump Trucking, Inc. that had previously received a loan from the program in 2010.

Of the 19 companies with Wood Products RLF loans, 17 reported employment figures and 14 reported financial figures to the MDOC.

Wedge Wood Products, LLC is still committed to paying back its Wood Products RLF loan to the MDOC; but, due to the 2010 fire, the company is not really operational and had no employment or financial statements to report to MDOC. The analysis that follows omits Wedge Wood Products, LLC figures.

Neville Log Homes, Inc. closed for operation in November of 2010. Subsequently, the company had no employment or financial figures to report to the MDOC so that company is omitted from the following analysis.

McFarland Logging ultimately paid its Wood Products RLF loan in full in December of 2012 releasing them from the reporting obligation. The company had reported employment figures prior to paying off their loan but had not yet reported financial figures so the financials are omitted from the following analysis.

Tricon Timber, LLC ultimately paid its Wood Products RLF loan in full in March of 2013 releasing them from the reporting obligation. The company had reported employment figures prior to paying off their loan but had not yet reported financial figures so the financials are omitted from the following analysis.

Centennial Wood Products, Inc. received a Wood Products RLF loan through the CDBG-R program and had not reported any financial figures to the MDOC; the company's financial figures are omitted from the following analysis.

Wood Products Revolving Loan Fund Funding Summary as of June 30, 2012

Business Name	Loan Date	Wood Products RLF EDA	State	CDBG-R	Total
Total Lending as of June 30, 2011	--	$ (4,976,250)	$ (4,794,017)	$ (1,495,199)	$ (11,265,466)
John Jump Trucking, Inc.	2/8/2012	$ (23,750)	$ (121,250)	$ -	$ (145,000)
Total Lending as of June 30, 2012	**--**	**$ (5,000,000)**	**$ (4,915,267)**	**$(1,495,199)**	**$ (11,410,466)**
Original Funds Available	--	$ -	$ -	$ -	$ -
Revolved Funds Available	--	$ 555,274	$ 650,861	$ -	$ 1,206,135
Total Available Funds	**--**	**$ 555,274**	**$ 650,861**	**$ -**	**$ 1,206,135**

Wood Products Revolving Loan Funding & Total Project Amount Summary as of June 30, 2012

Business Name	Loan Date	Total Wood Products RLF	Other MDOC Funding	Total MDOC Funding	Leverage Amounts	Total Project Amount
Total as of June 30, 2011 *(millions $)*	--	$ (11.265)	$ (0.105)	$ (11.371)	$ (21.657)	$ (33.028)
John Jump Trucking, Inc.	2/8/2012	$ (145,000)	$ -	$ (145,000)	$ (175,000)	$ (320,000)
TOTAL (*millions $*)	**--**	**$ (11.410)**	**$ (0.105)**	**$ (11.516)**	**$ (21.832)**	**$ (33.348)**

EMPLOYMENT & LABOR INCOME

As of June 30, 2012 the 17 Montana businesses in the wood products industry that received loans from the MDOC Wood Products RLF and reported employment figures to the MDOC (see page 24 for explanation of non-reporting companies) employed 851 people with an average annual salary of $34,499 – a slight increase over the prior period ($34,417). Most of these positions were skilled and semi-skilled jobs receiving, on average, $34,996 and $30,033 in annual wages and salaries, respectively.

Compared to the prior period (June 30, 2011), on average there was 9.8 percent growth in total employment across companies who were still reporting employment figures to MDOC. Compared to the first year the respective company received its Wood Products RLF loan, there was an average of 23.5 percent increase in total employment across the companies.

Employment by Skill Category For Businesses with Outstanding Wood Products RLF Loans as of June 30, 2012

Number of Companies with Outstanding Wood Products RLF Loan: 19
Number of Companies That Reported Figures: 17

Business Name	Date of First Loan	Total Employees	% Change From Prior Year	% Change from Year of 1st Loan	Manager/ Prof.	Skilled	Semi-Skilled	Unskilled	Office/ Clerical
Kelly Logging, Inc.	8/6/2009	16	-20.0%	-23.8%	1	13	0	0	2
Pyramid Mountain Lumber, Inc.	8/6/2009	149	-5.7%	31.9%	8	49	36	53	3
Sun Mountain Lumber, Inc.	8/6/2009	148	25.4%	35.8%	17	31	34	59	7
J & R Planing, Inc.	9/23/2009	31	10.7%	-13.9%	5	4	12	6	4
McFarland Logging	10/1/2009	0	--	--	0	0	0	0	0
Hanson Trucking, Inc.	10/2/2009	57	-13.6%	14.0%	7	50	0	0	0
SACS Trucking, Inc.	10/9/2009	36	-14.3%	-7.7%	3	5	25	0	3
Neville Log Homes, Inc.	10/20/2009	--	--	--	--	--	--	--	--
Wedge Wood Products LLC	10/30/2009	--	--	--	--	--	--	--	--
F.H. Stoltze Land & Lumber Comp.	11/4/2009	113	-2.6%	1.8%	16	41	46	8	2
Parke Logging, Inc.	11/12/2009	23	15.0%	9.5%	5	8	10	0	0
Luck-E-G of Montana, Inc.	11/30/2009	9	50.0%	50.0%	1	0	5	2	1
Tricon Timber, LLC	12/21/2009	143	-7.7%	76.5%	14	30	78	18	3
Rocky Mountain Holding Comp.	12/28/2009	77	-13.5%	-12.5%	15	28	12	15	7
Timber Solutions, Inc.	12/29/2009	3	0.0%	50.0%	2	0	0	0	1
Smith Logging, Inc.	2/12/2010	13	-7.1%	-7.1%	0	0	0	13	0
Centennial Wood Products, Inc.	3/1/2010	6	-50.0%	20.0%	1	5	0	0	0
Gary Bailey Logging, Inc.	3/19/2010	8	100.0%	14.3%	0	0	8	0	0
John Jump Trucking, Inc.	3/24/2010	19	90.0%	137.5%	4	15	0	0	0
TOTAL / AVERAGE % CHANGE		**851**	**9.8%**	**23.5%**	**99**	**279**	**266**	**174**	**33**

Summary of Employment & Labor Income by Skill Category, June 30, 2012

Number of Companies That Reported Figures: 17

	Employees		Wages Paid to Employees	
Skill Category	**Number**	**% of Total**	**Annual Total**	**Annual Avg.**
Managers/Professional	99	11.6%	$ 5,791,757	$ 58,503
Skilled	279	32.8%	$ 9,763,999	$ 34,996
Semi-skilled	266	31.3%	$ 7,988,716	$ 30,033
Unskilled	174	20.4%	$ 4,762,743	$ 27,372
Office & Clerical	33	3.9%	$ 1,051,098	$ 31,851
TOTAL	**851**	**100%**	**$ 29,358,313**	**$ 34,499**

FINANCIAL STATUS OF COMPANIES

Of the 19 companies with Wood Products RLF loans as of June 30, 2012, 14 reported confidential profit and loss summaries as well as sales figures to the MDOC. See page 24 of this report for an explanation of why some company financial figures were not reported to the MDOC.

Average quarterly sales across all reporting companies was equal to $2,150,159 during calendar year 2012 representing an increase of 11.3 percent over the prior period (calendar year 2011) and 33.3 percent increase over calendar year 2009. As companies pay off their Wood Products RLF loans they no longer report financial figures to the MDOC and as loans are added to the program's portfolio new companies begin reporting. Because of the changing make-up of the Wood Products RLF loan portfolio, comparing average financial figures from year to year for the program may be misleading.

To measure the financial status of companies with Wood Products RLF loans reporting to the MDOC while addressing the issue of a changing loan portfolio, each company's financial figures are compared to those from the previous year and then averaged across all companies. Of the companies that reported financial figures for the prior period (14 companies), ten (71.4 percent) realized an increase in average quarterly sales during 2012 compared to their sales in 2011 with an average growth across all companies in quarterly sales of 10.8 percent. Nine companies (64.3 percent) had better quarterly sales than during the year in which they received their first Wood Products RLF loan with an average growth of 74.1 percent over the respective year.

Of the 14 reporting companies, 78.6 percent (11 companies) were profitable; across all companies, on average they were operating at an average profit of $29,662 per quarter during the period. Nine companies (64.3 percent) had better average quarterly profits/losses than they did in 2011 and eleven (78.6 percent) had better profits/losses than they did during the year in which they received their first Wood Products RLF loan.

EMPLOYMENT IMPACTS ON LOCAL PRODUCTION

As of June 30, 2012, the average output per worker across the industries Wood Products RLF loan recipients did business in was equal to $217,337 per worker. That calculates to an estimated impact of the 851 employees working for the 17 reporting companies of $185.0 million in production within the Montana economy.

Compared to the previous period (June 30, 2011), on average, estimated output per worker increased by 8.9 percent representing a total output value of employment increase of 7.6 percent. Looking back to 2009, these figures represent a 16.4 percent increase in average output per worker and a 41.1 percent increase in the total output value of employees.

Estimated Output Value of Workers Employed by Companies with Wood Products RLF Loans as of June 30, 2012

Number of Reporting Companies	Total Number of Employees	Average Output Value per Worker*	Total Output Value of Employees
17	851	$ 217,337	**$ 184,953,660**

* Source: Implan 2012 Montana State Multiplier Model

TAXABLE VALUE OF PROPERTY

As of June 30, 2012 companies with Wood Products RLF loans owned land, improvements and business equipment valued at over $76.8 million by the Montana Department of Revenue. That represents a taxable value of $1.26 million worth of property in 2012.

Market & Taxable Value of Property Owned by Companies with Wood Products RLF Loans as of June 30, 2012

Property Type[1]	Market Value 2012	Taxable Value 2012
Class 3, 4 & 10 - Land	$ 32,221,985	$ 158,067
Class 4 - Improvements	$ 16,320,080	$ 346,576
Class 8 - Equipment	$ 28,289,759	$ 758,507
Total	**$ 76,831,824**	**$ 1,263,150**

1. *Class 3 - Land* is grazing land and non-qualified ag land; *Class 4 - Land* is tract land, town lots, industrial land, and building sites on non-qualified ag land; *Class 10 - Land* is forestland.

NOTE - reported figures may be revised from previous reports due to updated data.

WOOD PRODUCTS REVOLVING LOAN FUND – 2013 ANNUAL UPDATE

As of June 30th, 2013 there were 18 Montana companies vested in the wood products industry that had current loans through the Wood Products Revolving Loan Fund (referred to as the Wood Products RLF hereafter). From June 30, 2012 to June 20, 2013 two new Wood Products RLF loans were awarded to Eureka Pellet Mills, Inc. and Pyramid Mountain Lumber, Inc. Pyramid Mountain Lumber, Inc. had previously received a Wood Products RLF loan in 2009.

McFarland Logging paid its Wood Products RLF loan in full in December of 2012 releasing them from the reporting obligations; the company is omitted from the following employment and financial analysis.

Tricon Timber, LLC paid its Wood Products RLF loan in full in March of 2013 releasing them from the reporting obligations; the company is omitted from the following employment and financial analysis.

Of the 18 companies with Wood Products RLF loans, 15 reported employment figures and 12 reported financial figures to the MDOC.

Wedge Wood Products, LLC is still committed to paying back its Wood Products RLF loan to the MDOC. Due to the 2010 fire the company is not really operational and had no employment or financial statements to report to MDOC; the following analysis omits both employment and financial figures for the company.

Neville Log Homes, Inc. closed for operation in November of 2010. Subsequently, the company had no employment or financial figures to report to the MDOC; the following analysis omits both employment and financial figures for the company.

Centennial Wood Products, Inc. received a Wood Products RLF loan through the CDBG-R program and had not reported any employment or financial figures to the MDOC; the following analysis omits both employment and financial figures for the company.

SACS Trucking, Inc. ultimately paid its Wood Products RLF loan in full in September of 2013 releasing them from the reporting obligation. The company had reported employment figures prior to paying off their loan but had not yet reported financial figures so their financials are omitted from the following analysis.

Luck-E-G of Montana, Inc. ultimately paid its Wood Products RLF loan in full in December of 2013 releasing them from the reporting obligation. The company had reported employment figures prior to paying off their loan but had not yet reported financial figures so their financials are omitted from the following analysis.

Rocky Mountain Holding Company had not reported financial figures for 2013 to the MDOC at the time this report was compiled; the company's financial figures are omitted from the following analysis.

Wood Products Revolving Loan Fund Funding Summary as of June 30, 2013

Business Name	Loan Date	Wood Products RLF EDA	State	CDBG-R	Total
Total Lending as of June 30, 2012	--	$ (5,000,000)	$ (4,915,267)	$ (1,495,199)	$ (11,410,466)
Eureka Pellet Mills, Inc.	1/11/2013	$ -	$ (520,000)	$ -	$ (520,000)
Pyramid Mountain Lumber, Inc.	7/10/2013	$ (650,000)	$ -	$ -	$ (650,000)
Total Lending as of June 30, 2013	**--**	**$ (5,650,000)**	**$ (5,435,267)**	**$ (1,495,199)**	**$ (12,580,466)**
Original Funds Available	--	$ -	$ -	$ -	$ -
Revolved Funds Available	--	$ 493,217	$ 1,342,097	$ -	$ 1,835,314
Total Available Funds	**--**	**$ 493,217**	**$ 1,342,097**	**$ -**	**$ 1,835,314**

Wood Products Revolving Loan Funding & Total Project Amount Summary as of June 30, 2013

Business Name	Loan Date	Total Wood Products RLF	Other MDOC Funding	Total MDOC Funding	Leverage Amounts	Total Project Amount
Total as of June 30, 2012 *(millions $)*	--	$ (11.410)	$ (0.105)	$ (11.516)	$ (21.832)	$ (33.348)
Eureka Pellet Mills, Inc.	1/11/2013	$ (520,000)	$ -	$ (520,000)	$ (865,800)	$ (1,385,800)
Pyramid Mountain Lumber, Inc	7/10/2013	$ (650,000)	$ -	$ (650,000)	$ (1,587,555)	$ (2,237,555)
TOTAL *(millions $)*	**--**	**$ (12.580)**	**$ (0.105)**	**$ (12.686)**	**$ (24.286)**	**$ (36.971)**

EMPLOYMENT & LABOR INCOME

As of June 30, 2013 the 15 Montana businesses in the wood products industry that received loans from the MDOC Wood Products RLF and reported employment figures to the MDOC (see page 29 for an explanation of non-reporting companies) employed 733 people with an average annual salary of $35,168 – an increase of 2.1 percent over the prior period. Most of these positions were skilled and semi-skilled jobs receiving, on average, $36,952 and $30,915 in annual wages and salaries, respectively.

Compared to the prior period (June 30, 2012), on average there was 1.9 percent growth in total employment across companies who were still reporting employment figures to MDOC. Compared to the first year the respective company received its Wood Products RLF loan, there was an average of 23.2 percent increase in total employment across the companies.

Employment by Skill Category For Businesses with Outstanding Wood Products RLF Loans as of June 30, 2013

Number of Companies with Outstanding Wood Products RLF Loan: 18

Number of Companies That Reported Figures: 15

Business Name	Date of First Loan	Total Employees	% Change From Prior Year	% Change from Year of 1st Loan	Manager/ Prof.	Skilled	Semi-Skilled	Unskilled	Office/ Clerical
Kelly Logging, Inc.	8/6/2009	11	-31.3%	-47.6%	1	8	0	0	2
Pyramid Mountain Lumber, Inc.	8/6/2009	153	2.7%	35.4%	8	54	34	54	3
Sun Mountain Lumber, Inc.	8/6/2009	151	2.0%	38.5%	17	27	30	72	5
J & R Planing, Inc.	9/23/2009	30	-3.2%	-16.7%	4	4	13	6	3
McFarland Logging	10/1/2009	--	--	--	--	--	--	--	--
Hanson Trucking, Inc.	10/2/2009	68	19.3%	36.0%	9	9	50	0	0
SACS Trucking, Inc.	10/9/2009	34	-5.6%	-12.8%	3	5	23	0	3
Neville Log Homes, Inc.	10/20/2009	--	--	--	--	--	--	--	--
Wedge Wood Products LLC	10/30/2009	--	--	--	--	--	--	--	--
F.H. Stoltze Land & Lumber Comp.	11/4/2009	120	6.2%	8.1%	17	42	52	7	2
Parke Logging, Inc.	11/12/2009	19	-17.4%	-9.5%	6	5	8	0	0
Luck-E-G of Montana, Inc.	11/30/2009	12	33.3%	100.0%	1	0	0	10	1
Tricon Timber, LLC	12/21/2009	--	--	--	--	--	--	--	--
Rocky Mountain Holding Comp.	12/28/2009	78	1.3%	-11.4%	23	33	7	8	7
Timber Solutions, Inc.	12/29/2009	3	0.0%	50.0%	2	0	0	0	1
Smith Logging, Inc.	2/12/2010	12	-7.7%	-14.3%	0	0	0	12	0
Centennial Wood Products, Inc.	3/1/2010	--	--	--	--	--	--	--	--
Gary Bailey Logging, Inc.	3/19/2010	11	37.5%	57.1%	1	0	10	0	0
John Jump Trucking, Inc.	3/24/2010	17	-10.5%	112.5%	4	13	0	0	0
Eureka Pellet Mills, Inc.	1/11/2013	14	n/a	n/a	2	2	3	7	0
TOTAL / AVERAGE % CHANGE		**733**	**1.9%**	**23.2%**	**98**	**202**	**230**	**176**	**27**

Summary of Employment & Labor Income by Skill Category, June 30, 2013

Number of Companies That Reported Figures: 15

	Employees		Wages Paid to Employees	
Skill Category	**Number**	**% of Total**	**Annual Total**	**Annual Avg.**
Managers/Professional	98	13.4%	$ 5,568,267	$ 56,819
Skilled	202	27.6%	$ 7,464,398	$ 36,952
Semi-skilled	230	31.4%	$ 7,110,500	$ 30,915
Unskilled	176	24.0%	$ 4,907,053	$ 27,881
Office & Clerical	27	3.7%	$ 728,035	$ 26,964
TOTAL	**733**	**100%**	**$ 25,778,253**	**$ 35,168**

FINANCIAL STATUS OF COMPANIES

Of the 18 companies with Wood Products RLF loans as of June 30, 2013, 12 reported confidential profit and loss summaries as well as sales figures to the MDOC. See page 29 of this report for an explanation of why some company financial figures were not reported to the MDOC.

Average quarterly sales across all reporting companies was equal to $2,484,607 during calendar year 2013 representing an increase of 15.6 percent over the prior period (calendar year 2012) and 54.1 percent increase over calendar year 2009. As companies pay off their Wood Products RLF loans they no longer report financial figures to the MDOC and as loans are added to the program's portfolio new companies begin reporting. Because of the changing make-up of the Wood Products RLF loan portfolio, comparing average financial figures from year to year for the program may be misleading.

To measure the financial status of companies with Wood Products RLF loans reporting to the MDOC while addressing the issue of a changing loan portfolio, each company's financial figures are compared to those from the previous year and then averaged across all companies.

Eleven of the 12 companies reported financial figures for the prior period (calendar year 2012). Eureka Pellet Mills, Inc. wasn't obligated to report 2012 financials to MDOC due to the timing of their loan. Of the 11 companies that reported financial figures for the prior period, six (54.5 percent) realized an increase in average quarterly sales during 2013 compared to their sales in 2012 with an average growth across all companies in quarterly sales of 1.8 percent. Eight companies (72.7 percent) had better quarterly sales than during the year in which they received their first Wood Products RLF loan with an average growth of 87.4 percent over the respective year.

Of the 12 reporting companies, 50.0 percent (six companies) were profitable; across all companies, on average they were operating at an average profit of $114,052 per quarter during the period. Six of the 11 companies that reported figures for the prior period (54.5 percent) had better average quarterly profits/losses than they did in 2012 and nine (81.8 percent) had better profits/losses than they did during the year in which they received their first Wood Products RLF loan.

EMPLOYMENT IMPACTS ON LOCAL PRODUCTION

As of June 30, 2013, the average output per worker across the industries Wood Products RLF loan recipients did business in was equal to $210,370 per worker. That calculates to an estimated impact of the 733 employees working for the 15 reporting companies of $154.2 million in production within the Montana economy.

Compared to the previous period (June 30, 2012), on average, estimated output per worker decreased by 3.2 percent representing a total output value of employment decrease of 16.6 percent over the prior period. Because more and more companies are paying off their Wood Products RLF loans releasing them from their reporting obligations to MDOC, the calculated change from the prior period isn't necessarily representative of actual change in output value of production within the local economy. For example, one of the companies not included in this year's figures – Tricon Timber, LLC – employed more than 140 employees at the time they paid off their Wood Products RLF loan. Year to year comparisons using this metric should be used with caution for this reason.

Looking back to 2009, these figures represent a 12.7 percent increase in average output per worker and a 17.6 percent increase in the total output value of employees.

Estimated Output Value of Workers Employed by Companies with Wood Products RLF Loans as of June 30, 2013

Number of Reporting Companies	Total Number of Employees	Average Output Value per Worker*	Total Output Value of Employees
15	733	$ 210,370	**$ 154,200,895**

* Source: Implan 2012 Montana State Multiplier Model; The 2013 model was not available at the time of analysis.

TAXABLE VALUE OF PROPERTY

As of June 30, 2013 companies with Wood Products RLF loans owned land and improvements valued at $46.5 million by the Montana Department of Revenue. That represents a taxable value of nearly $439 thousand worth of property in 2013. Business equipment market and taxable value figures for 2013 were not available at the time this report was compiled for reasons discussed above (see "Wood Product RLF Outcome Measures – Taxable Value of Property" on page 10).

Market & Taxable Value of Property Owned by Companies with Wood Products RLF Loans as of June 30, 2013

Property Type[1]	Market Value 2013	Taxable Value 2013
Class 3, 4 & 10 - Land	$ 32,071,577	$ 147,885
Class 4 - Improvements	$ 14,420,387	$ 291,025
Class 8 - Equipment[2]	n/a	n/a
Total	**$ 46,491,964**	**$ 438,911**

1. *Class 3 - Land* is grazing land and non-qualified ag land; *Class 4 - Land* is tract land, town lots, industrial land, and building sites on non-qualified ag land; *Class 10 - Land* is forestland.

2. *Class 8 - Equipment* data is only available on a current basis from the Montana Department of Revenue; data for 2013 was not available.

WOOD PRODUCTS REVOLVING LOAN FUND – 2014 ANNUAL UPDATE

As of June 30th, 2014 there were 12 Montana companies vested in the wood products industry that had 14 current loans through the Wood Products Revolving Loan Fund (referred to as the Wood Products RLF hereafter). From June 30, 2013 to June 30, 2014 no new Wood Products RLF loans were awarded.

Wedge Wood Products LLC paid its Wood Products RLF loan in full in June of 2014 releasing them from the reporting obligations; the company is omitted from the following employment and financial analysis.

Neville Log Homes, Inc. closed for operation in November of 2010. In 2014, the loan was written off from the Wood Products RLF portfolio; the company is omitted from the following employment and financial analysis.

SACS Trucking, Inc. paid its Wood Products RLF loan in full in September of 2013 releasing them from the reporting obligations; the company is omitted from the following employment and financial analysis.

Luck-E-G of Montana, Inc. paid its Wood Products RLF loan in full in December of 2013 releasing them from the reporting obligations; the company is omitted from the following employment and financial analysis.

Kelly Logging, Inc. defaulted on its Wood Products RLF loan and had not reported any employment figures to the MDOC; the company's figures are omitted from the following analysis.

Centennial Wood Products, Inc. received a Wood Products RLF loan through the CDBG-R program, negotiated a loan modification with the MDOC and had not reported any employment or financial figures; the following analysis omits both employment and financial figures for the company.

Eureka Pellet Mills, Inc. had not reported financial figures to the MDOC at the time this report was compiled; the company's financial figures are omitted from the following analysis.

Wood Products Revolving Loan Fund Funding Summary as of June 30, 2014

		Wood Products RLF			
Business Name	**Loan Date**	**EDA**	**State**	**CDBG-R**	**Total**
Total Lending as of June 30, 2013	--	$ (5,650,000)	$ (5,435,267)	$ (1,495,199)	$ (12,580,466)
Total Lending as of June 30, 2014	**--**	**$ (5,650,000)**	**$ (5,435,267)**	**$(1,495,199)**	**$ (12,580,466)**
Original Funds Available	--	$ -	$ -	$ -	$ -
Revolved Funds Available	--	$ 986,632	$ 1,737,871	$ -	$ 2,724,503
Total Available Funds	**--**	**$ 986,632**	**$ 1,737,871**	**$ -**	**$ 2,724,503**

Wood Products Revolving Loan Funding & Total Project Amount Summary as of June 30, 2014

Business Name	**Loan Date**	**Total Wood Products RLF**	**Other MDOC Funding**	**Total MDOC Funding**	**Leverage Amounts**	**Total Project Amount**
Total as of June 30, 2013 *(millions $)*	--	$ (12.580)	$ (0.105)	$ (12.686)	$ (24.286)	$ (36.971)
No New Loans Administered	--	--	--	--	--	--
TOTAL (*millions $*)	**--**	**$ (12.580)**	**$ (0.105)**	**$ (12.686)**	**$ (24.286)**	**$ (36.971)**

EMPLOYMENT & LABOR INCOME

As of June 30, 2014 the 12 Montana businesses in the wood products industry that received loans from the MDOC Wood Products RLF all reported employment figures to the MDOC; these companies employed 696 people with an average annual salary of $36,084 – an increase of 2.6 percent over the prior period. Most of these positions were skilled and semi-skilled jobs receiving, on average, $37,993 and $32,154 in annual wages and salaries, respectively.

Compared to the prior period (June 30, 2013), on average there was 5.0 percent growth in total employment across companies who were still reporting employment figures to MDOC. Compared to the first year the respective company received a Wood Products RLF loan, there was an average of 29.9 percent increase in total employment across the companies.

Employment by Skill Category For Businesses with Outstanding Wood Products RLF Loans as of June 30, 2014

Number of Companies with Outstanding Wood Products RLF Loan: 12
Number of Companies That Reported Figures: 12

Business Name	Date of First Loan	Total Employees	% Change From Prior Year	% Change from Year of 1st Loan	Manager/ Prof.	Skilled	Semi-Skilled	Unskilled	Office/ Clerical
Kelly Logging, Inc.	8/6/2009	--	--	--	--	--	--	--	--
Pyramid Mountain Lumber, Inc.	8/6/2009	156	2.0%	38.1%	10	55	34	55	2
Sun Mountain Lumber, Inc.	8/6/2009	159	5.3%	45.9%	18	27	26	83	5
J & R Planing, Inc.	9/23/2009	38	26.7%	5.6%	5	4	11	15	3
Hanson Trucking, Inc.	10/2/2009	64	-5.9%	28.0%	9	11	44	0	0
SACS Trucking, Inc.	10/9/2009	--	--	--	--	--	--	--	--
Neville Log Homes, Inc.	10/20/2009	--	--	--	--	--	--	--	--
Wedge Wood Products LLC	10/30/2009	--	--	--	--	--	--	--	--
F.H. Stoltze Land & Lumber Comp.	11/4/2009	124	3.3%	11.7%	16	46	55	4	3
Parke Logging, Inc.	11/12/2009	21	10.5%	0.0%	5	6	10	0	0
Luck-E-G of Montana, Inc.	11/30/2009	--	--	--	--	--	--	--	--
Rocky Mountain Holding Comp.	12/28/2009	73	-6.4%	-17.0%	16	31	9	7	10
Timber Solutions, Inc.	12/29/2009	3	0.0%	50.0%	2	0	0	0	1
Smith Logging, Inc.	2/12/2010	8	-33.3%	-42.9%	0	0	0	8	0
Centennial Wood Products, Inc.	3/1/2010	--	--	--	--	--	--	--	--
Gary Bailey Logging, Inc.	3/19/2010	12	9.1%	71.4%	1	11	0	0	0
John Jump Trucking, Inc.	3/24/2010	18	5.9%	125.0%	4	13	0	0	1
Eureka Pellet Mills, Inc.	1/11/2013	20	42.9%	42.9%	3	1	6	10	0
TOTAL / AVERAGE % CHANGE		**696**	**5.0%**	**29.9%**	**89**	**205**	**195**	**182**	**25**

Summary of Employment & Labor Income by Skill Category, June 30, 2014

Number of Companies That Reported Figures: 12

	Employees		Wages Paid to Employees	
Skill Category	Number	% of Total	Annual Total	Annual Avg.
Managers/Professional	89	12.8%	$ 5,125,358	$ 57,588
Skilled	205	29.5%	$ 7,788,640	$ 37,993
Semi-skilled	195	28.0%	$ 6,270,050	$ 32,154
Unskilled	182	26.1%	$ 5,139,763	$ 28,240
Office & Clerical	25	3.6%	$ 790,604	$ 31,324
TOTAL	**696**	**100%**	**$ 25,114,415**	**$ 36,084**

FINANCIAL STATUS OF COMPANIES

Of the 12 companies with Wood Products RLF loans as of June 30, 2014, 11 reported confidential profit and loss summaries as well as sales figures to the MDOC. See page 34 of this report for an explanation of why some company financial figures were not reported to the MDOC.

Average quarterly sales across all reporting companies was equal to $3,052,886 during calendar year 2014 representing an increase of 23.0 percent over the prior period (calendar year 2013) and 96.8 percent increase over calendar year 2009. As companies pay off their Wood Products RLF loans they no longer report financial figures to the MDOC, and as loans are added to the program's portfolio new companies begin reporting. Because of the changing make-up of the Wood Products RLF loan portfolio, comparing average financial figures from year to year for the program may be misleading.

To measure the financial status of companies with Wood Products RLF loans reporting to the MDOC while addressing the issue of a changing loan portfolio, each company's financial figures are compared to those from the previous year and then averaged across all companies. Of the companies that reported financial figures for the prior period (11 companies), 7 (63.6 percent) realized an increase in average quarterly sales during 2014 compared to their sales in 2013 with an average growth across all companies in quarterly sales of 11.6 percent. Nine companies (81.8 percent) had better quarterly sales than during the year in which they received their first Wood Products RLF loan with an average growth of 152.2 percent over the respective year.

Of the 11 reporting companies, 81.8 percent (9 companies) were profitable; across all companies, on average they were operating at an average profit of $31,943 per quarter during the period. Eight of the companies (72.7 percent) had better average quarterly profits/losses than they did in 2013 and nine (81.8 percent) had better profits/losses than they did during the year in which they received their first Wood Products RLF loan.

EMPLOYMENT IMPACTS ON LOCAL PRODUCTION

As of June 30, 2014, the average output per worker across the industries Wood Products RLF loan recipients did business in was equal to $242,765 per worker. That calculates to an estimated impact of the 696 employees working for the 12 reporting companies of $169.0 million in production within the Montana economy.

Compared to the previous period (June 30, 2013), on average, estimated output per worker increased by 15.4 percent with an 9.6 percent increase in the total output value of employment. Because more and more companies are paying off their Wood Products RLF loans releasing them from their reporting obligations to MDOC, the calculated change from the prior period isn't necessarily representative of actual change in output value of production within the local economy. In 2013 there were 15 companies reporting employment figures; that represents three more companies reporting for that period than are reporting for the current one (12 companies). Looking back to 2009, these figures represent a 30.0 percent increase in average output per worker and a 28.9 percent increase in the total output value of employees. *Note – this section has been updated for the August 2018 report due to the availability of more recent Implan models.*

Estimated Output Value of Workers Employed by Companies with Wood Products RLF Loans as of June 30, 2014

Number of Reporting Companies	Total Number of Employees	Average Output Value per Worker*	Total Output Value of Employees
12	696	$ 242,765	**$ 168,964,355**

* Source: Implan 2014 Montana State Multiplier Model.

TAXABLE VALUE OF PROPERTY

As of June 30, 2014 companies with Wood Products RLF loans owned land, improvements and business equipment valued at over $95 million by the Montana Department of Revenue. These figures reflect 2013 market valuations for land and improvements from MDOR because 2014 figures were not available at the time this report was compiled. Applying the 2014 exemptions and taxable rates to the 2013 land and improvement and 2014 business equipment market values, companies with Wood Products RLF loans owned property with an estimated taxable value of $1.2 million in 2014.

Market & Taxable Value of Property Owned by Companies with Wood Products RLF Loans as of June 30, 2014[1]

Property Type[2]	Market Value 2014	Taxable Value 2014
Class 3, 4 & 10 - Land	$ 32,071,577	$ 146,704
Class 4 - Improvements	$ 14,420,387	$ 286,619
Class 8 - Equipment	$ 48,552,511	$ 804,081
Total	**$ 95,044,475**	**$ 1,237,404**

1. Property market values from 2013 were used with 2014 tax rates applied to them; 2014 market values were not available.

2. *Class 3 - Land* is grazing land and non-qualified ag land; *Class 4 - Land* is tract land, town lots, industrial land, and building sites on non-qualified ag land; *Class 10 - Land* is forestland.

WOOD PRODUCTS REVOLVING LOAN FUND – 2015 ANNUAL UPDATE

As of June 30th, 2015 there were 11 Montana companies vested in the wood products industry that had 13 current loans through the Wood Products Revolving Loan Fund (referred to as the Wood Products RLF hereafter). From June 30, 2014 to June 30, 2015 no new Wood Products RLF loans were awarded.

Eureka Pellet Mills, Inc. defaulted on its Wood Products RLF loan and had not reported any employment or financial figures to the MDOC; the company's employment and financial figures are omitted from the following analysis.

Centennial Wood Products, Inc. received a Wood Products RLF loan through the CDBG-R program, negotiated a loan modification with the MDOC and had not reported any employment or financial figures; the following analysis omits both employment and financial figures for the company.

Of the 11 companies with Wood Products RLF loans, all 11 reported both employment and financial figures to the MDOC.

Wood Products Revolving Loan Fund Funding Summary as of June 30, 2015

		Wood Products RLF			
Business Name	**Loan Date**	**EDA**	**State**	**CDBG-R**	**Total**
Total Lending as of June 30, 2014	--	$ (5,650,000)	$ (5,435,267)	$ (1,495,199)	$ (12,580,466)
Total Lending as of June 30, 2015	**--**	**$ (5,650,000)**	**$ (5,435,267)**	**$ (1,495,199)**	**$ (12,580,466)**
Original Funds Available	--	$ -	$ -	$ -	$ -
Revolved Funds Available	--	$ 1,515,202	$ 1,916,318	$ -	$ 3,431,520
Total Available Funds	**--**	**$ 1,515,202**	**$ 1,916,318**	**$ -**	**$ 3,431,520**

Wood Products Revolving Loan Funding & Total Project Amount Summary as of June 30, 2015

Business Name	**Loan Date**	**Total Wood Products RLF**	**Other MDOC Funding**	**Total MDOC Funding**	**Leverage Amounts**	**Total Project Amount**
Total as of June 30, 2014 *(millions $)*	--	$ (12.580)	$ (0.105)	$ (12.686)	$ (24.286)	$ (36.971)
No New Loans Awarded	--	--	--	--	--	--
TOTAL *(millions $)*	**--**	**$ (12.580)**	**$ (0.105)**	**$ (12.686)**	**$ (24.286)**	**$ (36.971)**

EMPLOYMENT & LABOR INCOME

As of June 30, 2015 the 11 Montana businesses in the wood products industry that received loans from the MDOC Wood Products RLF all reported employment figures to the MDOC; those companies employed 609 people with an average annual salary of $37,691 – an increase of 4.5 percent over the prior period. Most of these positions were skilled and unskilled jobs earning, on average, $39,711 and $28,236 in annual wages and salaries, respectively.

Compared to the prior period (June 30, 2014), on average there was 13.7 percent decline in total employment across companies who were still reporting employment figures to MDOC. Compared to the first year the respective company received its Wood Products RLF loan, there was an average of 11.5 percent increase in total employment across the companies.

Employment by Skill Category For Businesses with Outstanding Wood Products RLF Loans as of June 30, 2015

Number of Companies with Outstanding Wood Products RLF Loan: 11

Number of Companies That Reported Figures: 11

Business Name	Date of First Loan	Total Employees	% Change From Prior Year	% Change from Year of 1st Loan	Manager/ Prof.	Skilled	Semi-Skilled	Unskilled	Office/ Clerical
Pyramid Mountain Lumber, Inc.	8/6/2009	143	-8.3%	26.5%	10	49	33	49	2
Sun Mountain Lumber, Inc.	8/6/2009	163	2.5%	49.5%	16	27	23	94	3
J & R Planing, Inc.	9/23/2009	28	-26.3%	-22.2%	5	4	9	7	3
Hanson Trucking, Inc.	10/2/2009	55	-14.1%	10.0%	9	8	38	0	0
F.H. Stoltze Land & Lumber Comp.	11/4/2009	112	-9.7%	0.9%	17	47	41	5	2
Parke Logging, Inc.	11/12/2009	17	-19.0%	-19.0%	5	5	7	0	0
Rocky Mountain Holding Comp.	12/28/2009	57	-21.9%	-35.2%	14	17	6	11	9
Timber Solutions, Inc.	12/29/2009	3	0.0%	50.0%	2	0	0	0	1
Smith Logging, Inc.	2/12/2010	7	-12.5%	-50.0%	0	0	0	7	0
Centennial Wood Products, Inc.	3/1/2010	--	--	--	--	--	--	--	--
Gary Bailey Logging, Inc.	3/19/2010	9	-25.0%	28.6%	1	8	0	0	0
John Jump Trucking, Inc.	3/24/2010	15	-16.7%	87.5%	4	10	0	0	1
Eureka Pellet Mills, Inc.	1/11/2013	--	--	--	--	--	--	--	--
TOTAL / AVERAGE % CHANGE		**609**	**-13.7%**	**11.5%**	**83**	**175**	**157**	**173**	**21**

Summary of Employment & Labor Income by Skill Category, June 30, 2015

Number of Companies That Reported Figures: 11

	Employees		Wages Paid to Employees	
Skill Category	**Number**	**% of Total**	**Annual Total**	**Annual Avg.**
Managers/Professional	83	13.6%	$ 5,198,704	$ 62,635
Skilled	175	28.7%	$ 6,949,388	$ 39,711
Semi-skilled	157	25.8%	$ 5,245,907	$ 33,413
Unskilled	173	28.4%	$ 4,884,755	$ 28,236
Office & Clerical	21	3.4%	$ 675,258	$ 32,155
TOTAL	**609**	**100%**	**$ 22,954,013**	**$ 37,691**

FINANCIAL STATUS OF COMPANIES

Of the 11 companies with Wood Products RLF loans as of June 30, 2015, 11 reported confidential profit and loss summaries as well as sales figures to the MDOC.

Average quarterly sales across all reporting companies was equal to $2,492,228 during calendar year 2015 representing a decrease of 18.4 percent over the prior period (calendar year 2014) and 60.6 percent increase over calendar year 2009. As companies pay off their Wood Products RLF loans they no longer report financial figures to the MDOC and as loans are added to the program's portfolio new companies begin reporting. Because of the changing make-up of the Wood Products RLF loan portfolio, comparing average financial figures from year to year for the program may be misleading.

To measure the financial status of companies with Wood Products RLF loans reporting to the MDOC while addressing the issue of a changing loan portfolio, each company's financial figures are compared to those from the previous year and then averaged across all companies. Of the companies that reported financial figures for the prior period (11 companies), 2 (18.25 percent) realized an increase in average quarterly sales during 2015 compared to their sales in 2014 with an average decline across all companies in quarterly sales of 11.5 percent. Nine companies (81.8 percent) had better quarterly sales than during the year in which they received their first Wood Products RLF loan with an average growth of 136.2 percent over the respective year.

Of the 11 reporting companies, 63.6 percent (7 companies) were profitable; across all companies, on average they were operating at an average loss of $250,348 per quarter during the period. Five of the eleven companies that reported figures for the prior period (45.5 percent) had better average quarterly profits/losses than they did in 2014 and six (54.5 percent) had better profits/losses than they did during the year in which they received their first Wood Products RLF loan.

EMPLOYMENT IMPACTS ON LOCAL PRODUCTION

As of June 30, 2015, the average output per worker across the industries Wood Products RLF loan recipients did business in was equal to $254,010 per worker. That calculates to an estimated impact of the 609 employees working for the 11 reporting companies of $154.7 million in production within the Montana economy.

Compared to the previous period (June 30, 2014), on average estimated output per worker increased by 4.6 percent while the total output value of employment decreasing by 8.4 percent. Because more and more companies are paying off their Wood Products RLF loans releasing them from their reporting obligations to MDOC, the calculated change from the prior period isn't necessarily representative of actual change in output value of production within the local economy. For example, one of the companies not included in this year's figures – Tricon Timber, LLC – employed more than 140 employees at the time they paid off their Wood Products RLF loan. Year to year comparisons using this metric should be used with caution for this reason.

Looking back to 2009, these figures represent a 36.0 percent increase in average output per worker and an 18.0 percent increase in the total output value of employees. *Note – this section has been updated for the August 2018 report due to the availability of more recent Implan models.*

Estimated Output Value of Workers Employed by Companies with Wood Products RLF Loans as of June 30, 2015

Number of Reporting Companies	Total Number of Employees	Average Output Value per Worker*	Total Output Value of Employees
11	609	$ 254,010	**$ 154,692,361**

* Source: Implan 2015 Montana State Multiplier Model.

TAXABLE VALUE OF PROPERTY

As of June 30, 2015 companies with Wood Products RLF loans owned land, improvements and business equipment valued at $92.1 million by the Montana Department of Revenue. That represents a taxable value of more than $1.4 million worth of Montana property in 2015.

Market & Taxable Value of Property Owned by Companies with Wood Products RLF Loans as of June 30, 2015 [1]

Property Type[2]	Market Value 2015	Taxable Value 2015
Class 3, 4 & 10 - Land	$ 18,161,103	$ 93,752
Class 4 - Improvements	$ 15,074,345	$ 278,737
Class 8 - Equipment	$ 58,872,361	$ 1,060,719
Total	**$ 92,107,809**	**$ 1,433,208**

1. Property market values were provided by the Montana Department of Revenue. Values represent tax year 2015 certified values.

2. *Class 3 - Land* is grazing land and non-qualified ag land; *Class 4 - Land* is tract land, town lots, industrial land, and building sites on non-qualified ag land; *Class 10 - Land* is forestland.

WOOD PRODUCTS REVOLVING LOAN FUND – 2016 ANNUAL UPDATE

As of June 30th, 2016 there were 12 Montana companies vested in the wood products industry that had 16 current loans through the Wood Products Revolving Loan Fund (referred to as the Wood Products RLF hereafter).

From June 30, 2015 through June 30, 2016 three new Wood Products RLF loans were awarded to **SK Fingerjoint, Inc.**, **Sun Mountain Lumber, Inc.** and **Pyramid Mountain Lumber, Inc.** Sun Mountain Lumber, Inc. had previously received a Wood Products RLF loan in 2009. Pyramid Mountain Lumber, Inc. had previously received Wood Products RLF loans in 2009 and 2013.

Of the 12 companies with Wood Products RLF loans, all 12 reported employment figures and due to loan payoffs, 10 reported financial figures for 2016 to MDOC.

Gary Bailey Logging, Inc ultimately paid its Wood Products RLF loan in full in October of 2016 releasing them from the reporting obligation. The company had reported employment figures prior to paying off their loan but had not yet reported financial figures so the financials are omitted from the following analysis.

Parke Logging, Inc. ultimately paid its Wood Products RLF loan in full in November of 2016 releasing them from the reporting obligation. The company had reported employment figures prior to paying off their loan but had not yet reported financial figures so the financials are omitted from the following analysis.

Centennial Wood Products, Inc. received a Wood Products RLF loan through the CDBG-R program, negotiated a loan modification with the MDOC and had not reported any employment or financial figures; the following analysis omits both employment and financial figures for the company.

Wood Products Revolving Loan Fund Funding Summary as of June 30, 2016

		Wood Products RLF			
Business Name	**Loan Date**	**EDA**	**State**	**CDBG-R**	**Total**
Total Lending as of June 30, 2015	--	$ (5,650,000)	$ (5,435,267)	$ (1,495,199)	$ (12,580,466)
SK Fingerjoint, Inc.	11/16/2015	$ -	$ (275,000)	$ -	$ (275,000)
Sun Mountain Lumber, Inc.	12/16/2015	$ (1,000,000)	$ -	$ -	$ (1,000,000)
Pyramid Mountain Lumber, Inc.	1/6/2016	$ -	$ (1,500,000)	$ -	$ (1,500,000)
Total Lending as of June 30, 2016	**--**	**$ (6,650,000)**	**$ (7,210,267)**	**$ (1,495,199)**	**$ (15,355,466)**
Original Funds Available	--	$ -	$ -	$ -	$ -
Revolved Funds Available	--	$ 1,048,967	$ 412,093	$ -	$ 1,461,060
Total Available Funds	**--**	**$ 1,048,967**	**$ 412,093**	**$ -**	**$ 1,461,060**

Wood Products Revolving Loan Funding & Total Project Amount Summary as of June 30, 2016

Business Name	**Loan Date**	**Total Wood Products RLF**	**Other MDOC Funding**	**Total MDOC Funding**	**Leverage Amounts**	**Total Project Amount**
Total as of June 30, 2015 *(millions $)*	--	$ (12.580)	$ (0.105)	$ (12.686)	$ (24.286)	$ (36.971)
SK Fingerjoint, Inc. *($)*	11/16/2015	$ (275,000)	$ -	$ (275,000)	$ (300,000)	$ (575,000)
Sun Mountain Lumber, Inc. *($)*	12/16/2015	$ (1,000,000)	$ -	$ (1,000,000)	$ (2,999,332)	$ (3,999,332)
Pyramid Mountain Lumber, Inc. *($)*	1/6/2016	$ (1,500,000)	$ -	$ (1,500,000)	$ (1,930,000)	$ (3,430,000)
TOTAL *(millions $)*	**--**	**$ (15.355)**	**$ (0.105)**	**$ (15.461)**	**$ (29.515)**	**$ (44.976)**

EMPLOYMENT & LABOR INCOME

As of June 30, 2016 the 12 Montana businesses in the wood products industry that received loans from the MDOC Wood Products RLF all reported employment figures to the MDOC; these companies employed 579 people with an average annual salary of $39,269 – an increase of 4.2 percent over the prior period. Most of these positions were skilled and unskilled jobs earning, on average, $41,243 and $31,158 in annual wages and salaries, respectively.

Compared to the prior period (June 30, 2015), on average there was 2.5 percent decline in total employment across companies who were still reporting employment figures to MDOC. Compared to the first year the respective company received its Wood Products RLF loan, there was an average of 2.4 percent decline in total employment across the companies.

Though employment totals waned, average annual wages increased in 2016 over the prior period for most employees (with the exception of Managers and Professionals).

Employment by Skill Category For Businesses with Outstanding Wood Products RLF Loans as of June 30, 2016

Number of Companies with Outstanding Wood Products RLF Loan: 12
Number of Companies That Reported Figures: 12

Business Name	Date of First Loan	Total Employees	% Change From Prior Year	% Change from Year of 1st Loan	Manager/ Prof.	Skilled	Semi-Skilled	Unskilled	Office/ Clerical
Pyramid Mountain Lumber, Inc.	8/6/2009	122	-14.7%	8.0%	8	42	35	36	1
Sun Mountain Lumber, Inc.	8/6/2009	113	-30.7%	3.7%	8	16	13	71	5
J & R Planing, Inc.	9/23/2009	33	17.9%	-8.3%	5	5	9	11	3
Hanson Trucking, Inc.	10/2/2009	54	-1.8%	8.0%	10	9	35	0	0
F.H. Stoltze Land & Lumber Comp.	11/4/2009	109	-2.7%	-1.8%	16	50	36	5	2
Parke Logging, Inc.	11/12/2009	20	17.6%	-4.8%	5	7	8	0	0
Rocky Mountain Holding Comp.	12/28/2009	84	47.4%	-4.5%	22	31	13	14	4
Timber Solutions, Inc.	12/29/2009	3	0.0%	0.0%	2	0	0	0	1
Smith Logging, Inc.	2/12/2010	7	0.0%	-50.0%	0	0	0	7	0
Centennial Wood Products, Inc.	3/1/2010	--	--	--	--	--	--	--	--
Gary Bailey Logging, Inc.	3/19/2010	6	-33.3%	-14.3%	1	5	0	0	0
John Jump Trucking, Inc.	3/24/2010	11	-26.7%	37.5%	4	7	0	0	0
SK Fingerjoint, Inc.	11/16/2015	17	n/a	n/a	2	1	0	12	2
TOTAL / AVERAGE % CHANGE		**579**	**-2.5%**	**-2.4%**	**83**	**173**	**149**	**156**	**18**

Summary of Employment & Labor Income by Skill Category, June 30, 2016

Number of Companies That Reported Figures: 12

	Employees		Wages Paid to Employees	
Skill Category	Number	% of Total	Annual Total	Annual Avg.
Managers/Professional	83	14.3%	$ 5,054,569	$ 60,898
Skilled	173	29.9%	$ 7,135,023	$ 41,243
Semi-skilled	149	25.7%	$ 5,014,439	$ 33,654
Unskilled	156	26.9%	$ 4,860,579	$ 31,158
Office & Clerical	18	3.1%	$ 672,351	$ 37,353
TOTAL	**579**	**100%**	**$ 22,736,960**	**$ 39,269**

FINANCIAL STATUS OF COMPANIES

Of the 12 companies with Wood Products RLF loans as of June 30, 2016, 10 reported confidential profit and loss summaries as well as sales figures to the MDOC. See page 42 of this report for an explanation of why some company financial figures were not reported to the MDOC.

Average quarterly sales across all reporting companies was equal to $3,388,655 during calendar year 2016 increasing 12.3 percent over the prior period (calendar year 2015) and representing a 94.5 percent increase over calendar year 2009. As companies pay off their Wood Products RLF loans they no longer report financial figures to the MDOC, and as loans are added to the program's portfolio new companies begin reporting. Because of the changing make-up of the Wood Products RLF loan portfolio, comparing average financial figures from year to year for the program may be misleading.

To measure the financial status of companies with Wood Products RLF loans reporting to the MDOC while addressing the issue of a changing loan portfolio, each company's financial figures are compared to those from the previous year and then averaged across all companies.

Nine of the 10 companies reported financial figures for the prior period (calendar year 2015). SK Fingerjoint, Inc. wasn't obligated to report 2015 sales to MDOC due to the timing of their loan. Of the nine companies that reported figures for the prior period, four (44.4 percent) realized an increase in average quarterly sales during 2016 compared to their sales in 2015 with an average decrease across all companies in quarterly sales of 2.9 percent. Seven companies (77.8 percent) had better quarterly sales than during the year in which they received their first Wood Products RLF loan with an average growth of 60.9 percent over the respective year.

Of the 10 companies reporting sales for 2016, 60.0 percent (six companies) were profitable; across all companies, on average they were operating at an average profit of $252,000 per quarter during the period. Seven of the ten companies (70.0 percent) had better average quarterly profits/losses than they did in 2015 and seven (70.0 percent) had better profits/losses than they did during the year in which they received their first Wood Products RLF loan.

Note – starting with the August 2020 version of this report, the 2016 financial figures have been revised from previous report vintages due to updated company financial data.

EMPLOYMENT IMPACTS ON LOCAL PRODUCTION

As of June 30, 2016, the average output per worker across the industries Wood Products RLF loan recipients did business in was equal to $238,780 per worker. That calculates to an estimated impact of the 579 employees working for the 12 reporting companies of $138.3 million in production within the Montana economy.

Compared to the previous period (June 30, 2015), on average estimated output per worker decreased by 6.0 percent representing a total output value of employment decrease of 10.6 percent. Because more and more companies are paying off their Wood Products RLF loans releasing them from their reporting obligations to MDOC, the calculated change from the prior period isn't necessarily representative of actual change in output value of production within the local economy. Year to year comparisons using this metric should be used with caution for this reason.

Looking back to 2009, these figures represent a 27.9 percent increase in average output per worker and a 5.5 percent increase in the total output value of employees. *Note – this section has been updated for the August 2018 report due to the availability of more recent Implan models.*

Estimated Output Value of Workers Employed by Companies with Wood Products RLF Loans as of June 30, 2016

Number of Reporting Companies	Total Number of Employees	Average Output Value per Worker*	Total Output Value of Employees
12	579	$ 238,780	**$ 138,253,734**

* Source: Implan 2016 Montana State Multiplier Model.

TAXABLE VALUE OF PROPERTY

As of June 30, 2016 companies with Wood Products RLF loans owned land, improvements and business equipment valued at $68.9 million by the Montana Department of Revenue. That represents a taxable value of more than $1.0 million worth of Montana property in 2016.

Market & Taxable Value of Property Owned by Companies with Wood Products RLF Loans as of June 30, 2016 [1]

Property Type[2]	Market Value 2016	Taxable Value 2016
Class 3, 4 & 10 - Land	$ 13,829,540	$ 71,712
Class 4 - Improvements	$ 12,449,040	$ 228,598
Class 8 - Equipment	$ 42,576,891	$ 742,088
Total	**$ 68,855,471**	**$ 1,042,398**

1. Property market values were provided by the Montana Department of Revenue. Values represent tax year 2016 certified values.

2. *Class 3 - Land* is grazing land and non-qualified ag land; *Class 4 - Land* is tract land, town lots, industrial land, and building sites on non-qualified ag land; *Class 10 - Land* is forestland.

WOOD PRODUCTS REVOLVING LOAN FUND – 2017 ANNUAL UPDATE

As of June 30th, 2017 there were 10 Montana companies vested in the wood products industry that had 15 current loans through the Wood Products Revolving Loan Fund (referred to as the Wood Products RLF hereafter).

From June 30, 2016 to June 30, 2017 one new Wood Products RLF loan was awarded to **John Jump Trucking, Inc.** John Jump Trucking, Inc. had previously received Wood Products RLF loans in 2010 and 2012.

Of the 10 companies with Wood Products RLF loans, all 10 reported employment and financial figures to the MDOC.

Gary Bailey Logging, Inc paid its Wood Products RLF loan in full in October of 2016 releasing them from the reporting obligations; the company is omitted from the following employment and financial analysis.

Parke Logging, Inc. paid its Wood Products RLF loan in full in November of 2016 releasing them from the reporting obligations; the company is omitted from the following employment and financial analysis.

Centennial Wood Products, Inc. paid its Wood Products RLF loan under modified terms releasing them from the reporting obligations; the company is omitted from the following employment and financial analysis.

Wood Products Revolving Loan Fund Funding Summary as of June 30, 2017

		Wood Products RLF			
Business Name	**Loan Date**	**EDA**	**State**	**CDBG-R**	**Total**
Total Lending as of June 30, 2016	--	$ (6,650,000)	$ (7,210,267)	$ (1,495,199)	$ (15,355,466)
John Jump Trucking, Inc.	4/10/2017	$ -	$ (300,000)	$ -	$ (300,000)
Total Lending as of June 30, 2017	**--**	**$ (6,650,000)**	**$ (7,510,267)**	**$(1,495,199)**	**$ (15,655,466)**
Original Funds Available	--	$ -	$ -	$ -	$ -
Revolved Funds Available	--	$ 1,630,457	$ 481,106	$ -	$ 2,111,563
Total Available Funds	**--**	**$ 1,630,457**	**$ 481,106**	**$ -**	**$ 2,111,563**

Wood Products Revolving Loan Funding & Total Project Amount Summary as of June 30, 2017

Business Name	**Loan Date**	**Total Wood Products RLF**	**Other MDOC Funding**	**Total MDOC Funding**	**Leverage Amounts**	**Total Project Amount**
Total as of June 30, 2016 *(millions $)*	--	$ (15.355)	$ (0.105)	$ (15.461)	$ (29.515)	$ (44.976)
John Jump Trucking, Inc.	4/10/2017	$ (300,000)	$ -	$ (300,000)	$ (120,500)	$ (420,500)
TOTAL *(millions $)*	**--**	**$ (15.655)**	**$ (0.105)**	**$ (15.761)**	**$ (29.635)**	**$ (45.396)**

EMPLOYMENT & LABOR INCOME

As of June 30, 2017 the 10 Montana businesses in the wood products industry that received loans from the MDOC Wood Products RLF all reported employment figures to the MDOC; these companies employed 571 people with an average annual salary of $40,230 – an increase of 2.4 percent over the prior period. Most of these positions were skilled and unskilled jobs earning, on average, $41,798 and $32,380 in annual wages and salaries, respectively.

Compared to the prior period (June 30, 2016), on average there was a 1.8 percent decline in total employment across companies who were still reporting employment figures to MDOC. Compared to the first year the respective company received its Wood Products RLF loan, there was an average 3.0 percent decline in total employment across the companies.

Though employment totals waned, average annual wages increased in 2017 over the prior period for all employee classification groups.

Employment by Skill Category For Businesses with Outstanding Wood Products RLF Loans as of June 30, 2017

Number of Companies with Outstanding Wood Products RLF Loan: 10
Number of Companies That Reported Figures: 10

Business Name	Date of First Loan	Total Employees	% Change From Prior Year	% Change from Year of 1st Loan	Manager/ Prof.	Skilled	Semi-Skilled	Unskilled	Office/ Clerical
Pyramid Mountain Lumber, Inc.	8/6/2009	122	0.0%	8.0%	9	40	31	39	3
Sun Mountain Lumber, Inc.	8/6/2009	108	-4.4%	-0.9%	8	13	10	72	5
J & R Planing, Inc.	9/23/2009	34	3.0%	-5.6%	4	4	9	14	3
Hanson Trucking, Inc.	10/2/2009	52	-3.7%	4.0%	10	11	31	0	0
F.H. Stoltze Land & Lumber Comp.	11/4/2009	132	21.1%	18.9%	15	56	54	4	3
Parke Logging, Inc.	11/12/2009	--	--	--	--	--	--	--	--
Rocky Mountain Holding Comp.	12/28/2009	86	2.4%	-2.3%	19	33	7	20	7
Timber Solutions, Inc.	12/29/2009	2	-33.3%	-33.3%	2	0	0	0	0
Smith Logging, Inc.	2/12/2010	7	0.0%	-50.0%	0	0	0	7	0
Centennial Wood Products, Inc.	3/1/2010	--	--	--	--	--	--	--	--
Gary Bailey Logging, Inc.	3/19/2010	--	--	--	--	--	--	--	--
John Jump Trucking, Inc.	3/24/2010	10	-9.1%	25.0%	4	6	0	0	0
SK Fingerjoint, Inc.	11/16/2015	18	5.9%	5.9%	2	1	0	13	2
TOTAL / AVERAGE % CHANGE		**571**	**-1.8%**	**-3.0%**	**73**	**164**	**142**	**169**	**23**

Summary of Employment & Labor Income by Skill Category, June 30, 2017

Number of Companies That Reported Figures: 10

	Employees		Wages Paid to Employees	
Skill Category	**Number**	**% of Total**	**Annual Total**	**Annual Avg.**
Managers/Professional	73	12.8%	$ 4,765,211	$ 65,277
Skilled	164	28.7%	$ 6,854,939	$ 41,798
Semi-skilled	142	24.9%	$ 4,955,435	$ 34,897
Unskilled	169	29.6%	$ 5,472,293	$ 32,380
Office & Clerical	23	4.0%	$ 923,348	$ 40,146
TOTAL	**571**	**100%**	**$ 22,971,227**	**$ 40,230**

FINANCIAL STATUS OF COMPANIES

Of the 10 companies with Wood Products RLF loans as of June 30, 2017, all 10 reported confidential profit and loss summaries as well as sales figures to the MDOC.

Average quarterly sales across all reporting companies was equal to $3,388,655 during calendar year 2017 representing an increase of 12.3 percent over the prior period (calendar year 2016) and representing a 118.4 percent increase over calendar year 2009. As companies pay off their Wood Products RLF loans they no longer report financial figures to the MDOC and as loans are added to the program's portfolio new companies begin reporting. Because of the changing make-up of the Wood Products RLF loan portfolio, comparing average financial figures from year to year for the program may be misleading.

To measure the financial status of companies with Wood Products RLF loans reporting to the MDOC while addressing the issue of a changing loan portfolio, each company's financial figures are compared to those from the previous year and then averaged across all companies.

Of the companies that reported financial figures for the prior period (all 10 companies), six (60.0 percent) realized an increase in average quarterly sales during 2017 compared to their sales in 2016 with an average increase across all companies in quarterly sales of 15.7 percent. Eight companies (80.0 percent) had better quarterly sales than during the year in which they received their first Wood Products RLF loan with an average growth of 101.5 percent over the respective year.

Of the 10 reporting companies, 80.0 percent (eight companies) were profitable; across all companies, on average they were operating at an average profit of $363,123 per quarter during the period. Four of the ten companies that reported figures for the prior period (40.0 percent) had better average quarterly profits/losses than they did in 2016 and seven (70.0 percent) had better profits/losses than they did during the year in which they received their first Wood Products RLF loan.

Note – starting with the August 2020 version of this report, the 2017 financial figures have been revised from previous report vintages due to updated company financial data.

EMPLOYMENT IMPACTS ON LOCAL PRODUCTION

As of June 30, 2017, the average output per worker across the industries Wood Products RLF loan recipients did business in was equal to $247,391 per worker. That calculates to an estimated impact of the 571 employees working for the 10 reporting companies of $141.3 million in production within the Montana economy.

Compared to the previous period (June 30, 2016), on average estimated output per worker increased by 3.6 percent representing a total output value of employment increase of 2.2 percent. Because more and more companies are paying off their Wood Products RLF loans releasing them from their reporting obligations to MDOC, the calculated change from the prior period isn't necessarily representative of actual change in output value of production within the local economy. Year to year comparisons using this metric should be used with caution for this reason.

Looking back to 2009, these figures represent a 32.5 percent increase in average output per worker and a 7.8 percent increase in the total output value of employees.

Estimated Output Value of Workers Employed by Companies with Wood Products RLF Loans as of June 30, 2017

Number of Reporting Companies	Total Number of Employees	Average Output Value per Worker*	Total Output Value of Employees
10	571	$ 247,391	**$ 141,260,481**

* Source: Implan 2016 Montana State Multiplier Model; most recent model available at the time of analysis.

TAXABLE VALUE OF PROPERTY

As of June 30, 2017 companies with Wood Products RLF loans owned land, improvements and business equipment valued at $69.0 million by the Montana Department of Revenue. That represents a taxable value of more than $1.1 million worth of Montana property in 2017.

Market & Taxable Value of Property Owned by Companies with Wood Products RLF Loans as of June 30, 2017 [1]

Property Type[2]	Market Value 2017	Taxable Value 2017
Class 3, 4 & 10 - Land	$ 14,707,353	$ 90,455
Class 4 - Improvements	$ 13,539,962	$ 249,413
Class 8 - Equipment	$ 40,750,881	$ 713,974
Total	**$ 68,998,196**	**$ 1,053,842**

1. Property market values were provided by the Montana Department of Revenue. Values represent tax year 2017 certified values.

2. *Class 3 - Land* is grazing land and non-qualified ag land; *Class 4 - Land* is tract land, town lots, industrial land, and building sites on non-qualified ag land; *Class 10 - Land* is forestland.

WOOD PRODUCTS REVOLVING LOAN FUND – 2018 ANNUAL UPDATE

As of June 30th, 2018 there were nine Montana companies vested in the wood products industry that had 14 current loans through the Wood Products Revolving Loan Fund (referred to as the Wood Products RLF hereafter). From June 30, 2017 through June 30, 2018 no new Wood Products RLF loans were awarded.

Of the nine companies with Wood Products RLF loans, all nine reported employment figures and eight companies reported financial figures to MDOC.

Timber Solutions had not reported financial figures to MDOC at the time this report was compiled; the company's financial figures are omitted from the following analysis

Rocky Mountain Holding Company reported sales figures but had not reported profit and loss summaries to MDOC at the time this report was compiled; the company's profit and loss figures are omitted from the following analysis.

SK Fingerjoint, Inc. paid its Wood Products RLF loan in full in June of 2018 releasing them from the reporting obligations; the company is omitted from the following employment and financial analysis.

Wood Products Revolving Loan Fund Funding Summary as of June 30, 2018

		Wood Products RLF			
Business Name	**Loan Date**	**EDA**	**State**	**CDBG-R**	**Total**
Total Lending as of June 30, 2017	--	$ (6,650,000)	$ (7,510,267)	$ (1,495,199)	$ (15,655,466)
Total Lending as of June 30, 2018	**--**	**$ (6,650,000)**	**$ (7,510,267)**	**$(1,495,199)**	**$ (15,655,466)**
Original Funds Available	--	$ -	$ -	$ -	$ -
Revolved Funds Available	--	$ 2,117,715	$ 1,005,239	$ -	$ 3,122,955
Total Available Funds	**--**	**$ 2,117,715**	**$ 1,005,239**	**$ -**	**$ 3,122,955**

NOTE - totals may not sum due to rounding.

Wood Products Revolving Loan Funding & Total Project Amount Summary as of June 30, 2018

Business Name	**Loan Date**	**Total Wood Products RLF**	**Other MDOC Funding**	**Total MDOC Funding**	**Leverage Amounts**	**Total Project Amount**
Total as of June 30, 2017 *(millions $)*	--	$ (15.655)	$ (0.105)	$ (15.761)	$ (29.635)	$ (45.396)
No New Loans Awarded	--	--	--	--	--	--
TOTAL *(millions $)*	**--**	**$ (15.655)**	**$ (0.105)**	**$ (15.761)**	**$ (29.635)**	**$ (45.396)**

EMPLOYMENT & LABOR INCOME

As of June 30, 2018 the nine Montana businesses in the wood products industry that received loans from the MDOC Wood Products RLF all reported employment figures to the MDOC; these companies employed 563 people with an average annual salary of $41,510 – an increase of 3.2 percent over the prior period. Most of these positions were skilled and unskilled jobs earning, on average, $43,969 and $32,380 in annual wages and salaries, respectively.

Compared to the prior period (June 30, 2017), on average there was a 1.8 percent decline in total employment across companies who were still reporting employment figures to MDOC. Compared to the first year the respective company received its Wood Products RLF loan, there was an average 6.2 percent decline in total employment across the companies.

Though employment totals waned, average annual wages increased in 2018 over the prior period for many employees (with the exception of unskilled and office or clerical employee groups).

Employment by Skill Category For Businesses with Outstanding Wood Products RLF Loans as of June 30, 2018

Number of Companies with Outstanding Wood Products RLF Loan: 9
Number of Companies That Reported Figures: 9

Business Name	Date of First Loan	Total Employees	% Change From Prior Year	% Change from Year of 1st Loan	Manager/ Prof.	Skilled	Semi-Skilled	Unskilled	Office/ Clerical
Pyramid Mountain Lumber, Inc.	8/6/2009	129	5.7%	14.2%	8	41	32	45	3
Sun Mountain Lumber, Inc.	8/6/2009	126	16.7%	15.6%	8	10	10	94	4
J & R Planing, Inc.	9/23/2009	32	-5.9%	-11.1%	4	4	8	13	3
Hanson Trucking, Inc.	10/2/2009	39	-25.0%	-22.0%	10	8	21	0	0
F.H. Stoltze Land & Lumber Comp.	11/4/2009	130	-1.5%	17.1%	16	54	52	6	2
Rocky Mountain Holding Comp.	12/28/2009	89	3.5%	1.1%	18	39	13	10	9
Timber Solutions, Inc.	12/29/2009	2	0.0%	-33.3%	2	0	0	0	0
Smith Logging, Inc.	2/12/2010	7	0.0%	-50.0%	0	0	0	7	0
John Jump Trucking, Inc.	3/24/2010	9	-10.0%	12.5%	4	5	0	0	0
SK Fingerjoint, Inc.	11/16/2015	--	--	--	--	--	--	--	--
TOTAL / AVERAGE % CHANGE		**563**	**-1.8%**	**-6.2%**	**70**	**161**	**136**	**175**	**21**

Summary of Employment & Labor Income by Skill Category, June 30, 2018

Number of Companies That Reported Figures: 9

	Employees		Wages Paid to Employees	
Skill Category	Number	% of Total	Annual Total	Annual Avg.
Managers/Professional	70	12.4%	$ 4,722,780	$ 67,468
Skilled	161	28.6%	$ 7,079,019	$ 43,969
Semi-skilled	136	24.2%	$ 5,068,275	$ 37,267
Unskilled	175	31.1%	$ 5,666,440	$ 32,380
Office & Clerical	21	3.7%	$ 833,555	$ 39,693
TOTAL	**563**	**100%**	**$ 23,370,069**	**$ 41,510**

FINANCIAL STATUS OF COMPANIES

Of the nine companies with Wood Products RLF loans as of June 30, 2018, eight reported confidential sales figures; seven reported confidential profit and loss summaries to the MDOC. See page 50 of this report for an explanation of why some company financial figures were not reported to the MDOC.

Average quarterly sales across all reporting companies was equal to $3,715,547 during calendar year 2018 representing an increase of 9.6 percent over the prior period (calendar year 2017) and representing a 139.5 percent increase over calendar year 2009. As companies pay off their Wood Products RLF loans they no longer report financial figures to the MDOC and as loans are added to the program's portfolio new companies begin reporting. Because of the changing make-up of the Wood Products RLF loan portfolio, comparing average financial figures from year to year for the program may be misleading.

To measure the financial status of companies with Wood Products RLF loans reporting to the MDOC while addressing the issue of a changing loan portfolio, each company's financial figures are compared to those from the previous year and then averaged across all companies.

Of the companies that reported financial figures for the prior period (eight companies), five (62.5 percent) realized an increase in average quarterly sales during 2018 compared to their sales in 2017 with an average decrease across all companies in quarterly sales of 5.3 percent. Four companies (50.0 percent) had better quarterly sales than during the year in which they received their first Wood Products RLF loan with an average growth of 29.5 percent over the respective year.

Of the seven reporting companies, 85.7 percent (six companies) were profitable; across all companies, on average they were operating at an average profit of $244,358 per quarter during the period. Four of the seven companies that reported figures for the prior period (57.1 percent) had better average quarterly profits/losses than they did in 2017 and all seven (100.0 percent) had better profits/losses than they did during the year in which they received their first Wood Products RLF loan.

EMPLOYMENT IMPACTS ON LOCAL PRODUCTION

As of June 30, 2018, the average output per worker across the industries Wood Products RLF loan recipients did business in was equal to $253,859 per worker. That calculates to an estimated impact of the 563 employees working for the 9 reporting companies of $142.9 million in production within the Montana economy.

Compared to the previous period (June 30, 2017), on average estimated output per worker increased by 2.6 percent representing a total output value of employment increase of 1.2 percent. Because more and more companies are paying off their Wood Products RLF loans releasing them from their reporting obligations to MDOC, the calculated change from the prior period isn't necessarily representative of actual change in output value of production within the local economy. Year to year comparisons using this metric should be used with caution for this reason.

Looking back to 2009, these figures represent a 36.0 percent increase in average output per worker and a 9.0 percent increase in the total output value of employees.

Estimated Output Value of Workers Employed by Companies with Wood Products RLF Loans as of June 30, 2018

Number of Reporting Companies	Total Number of Employees	Average Output Value per Worker*	Total Output Value of Employees
9	563	$ 253,859	**$ 142,922,449**

* Source: Implan 2016 Montana State Multiplier Model; most recent model available at the time of analysis.

TAXABLE VALUE OF PROPERTY

As of June 30, 2018 companies with Wood Products RLF loans owned land, improvements and business equipment valued at $77.2 million by the Montana Department of Revenue. That represents a taxable value of nearly $1.2 million worth of Montana property in 2018.

Market & Taxable Value of Property Owned by Companies with Wood Products RLF Loans as of June 30, 2018 [1]

Property Type[2]	Market Value 2018	Taxable Value 2018
Class 3, 4 & 10 - Land	$ 19,089,686	$ 112,978
Class 4 - Improvements	$ 15,071,282	$ 276,729
Class 8 - Equipment	$ 43,017,975	$ 771,553
Total	**$ 77,178,943**	**$ 1,161,260**

1. Property market values were provided by the Montana Department of Revenue. Values represent tax year 2018 certified values.
2. *Class 3 - Land* is grazing land and non-qualified ag land; *Class 4 - Land* is tract land, town lots, industrial land, and building sites on non-qualified ag land; *Class 10 - Land* is forestland.

WOOD PRODUCTS REVOLVING LOAN FUND – 2019 ANNUAL UPDATE

As of June 30th, 2019 there were nine Montana companies vested in the wood products industry that had 14 current loans through the Wood Products Revolving Loan Fund (referred to as the Wood Products RLF hereafter).

From June 30, 2018 to June 30, 2019 one new Wood Products RLF loan was awarded to **White River Contracting, LLC dba Rocky Mountain Homes**. White River Contracting, LLC is the entity that resulted from an employee buy-out of Rocky Mountain Holding Company. White River Contracting, LLC had previously assumed Rocky Mountain Holding Company's Wood Products RLF loan (originated in 2009).

Of the nine companies with Wood Products RLF loans, eight reported employment figures and six reported financial figures to the MDOC.

Timber Solutions had not reported either employment or financial figures to MDOC at the time this report was compiled; the company's employment and financial figures are omitted from the following analysis.

Smith Logging had not reported financial figures to MDOC at the time this report was compiled; the company's financial figures are omitted from the following analysis.

White River Contracting, LLC had not reported financial figures to MDOC at the time this report was compiled; the company's financial figures are omitted from the following analysis.

Wood Products Revolving Loan Fund Funding Summary as of June 30, 2019

		Wood Products RLF			
Business Name	**Loan Date**	**EDA**	**State**	**CDBG-R**	**Total**
Total Lending as of June 30, 2018	--	$ (6,650,000)	$ (7,510,267)	$ (1,495,199)	$ (15,655,466)
White River Contracting, LLC	1/7/2019	$ (1,600,000)	$ -	$ -	$ (1,600,000)
Total Lending as of June 30, 2019	**--**	**$ (8,250,000)**	**$ (7,510,267)**	**$ (1,495,199)**	**$ (17,255,466)**
Original Funds Available	--	$ -	$ -	$ -	$ -
Revolved Funds Available	--	$ 1,373,142	$ 1,408,044	$ -	$ 2,781,186
Total Available Funds	**--**	**$ 1,373,142**	**$ 1,408,044**	**$ -**	**$ 2,781,186**

NOTE - totals may not sum due to rounding.

Wood Products Revolving Loan Funding & Total Project Amount Summary as of June 30, 2019

Business Name	**Loan Date**	**Total Wood Products RLF**	**Other MDOC Funding**	**Total MDOC Funding**	**Leverage Amounts**	**Total Project Amount**
Total as of June 30, 2018 *(millions $)*	--	$ (15.655)	$ (0.105)	$ (15.761)	$ (29.635)	$ (45.396)
White River Contracting, LLC	1/7/2019	$ (1,600,000)	$ (194,204)	$ (1,794,204)	$ (2,051,435)	$ (3,845,639)
TOTAL (*millions $*)	**--**	**$ (17.255)**	**$ (0.299)**	**$ (17.555)**	**$ (31.687)**	**$ (49.242)**

EMPLOYMENT & LABOR INCOME

As of June 30, 2019 the eight Montana businesses in the wood products industry that received loans from the MDOC Wood Products RLF and reported employment figures to the MDOC (see page 54 for an explanation of non-reporting companies) employed 560 people with an average annual salary of $42,678 – an increase of 2.8 percent over the prior period. Most of these positions were skilled and unskilled jobs earning, on average, $45,188 and $33,101 in annual wages and salaries, respectively.

Compared to the prior period (June 30, 2018), on average there was a 2.3 percent growth in total employment across companies who were still reporting employment figures to the MDOC. Compared to the first year the respective company received its Wood Products RLF loan, there was an average 0.4 percent increase in total employment across companies.

For all employee classification groups, average annual wages and salaries increased over the prior period (June 30, 2018).

Employment by Skill Category For Businesses with Outstanding Wood Products RLF Loans as of June 30, 2019

Number of Companies with Outstanding Wood Products RLF Loan: 9
Number of Companies That Reported Figures: 8

Business Name	Date of First Loan	Total Employees	% Change From Prior Year	% Change from Year of 1st Loan	Manager/ Prof.	Skilled	Semi-Skilled	Unskilled	Office/ Clerical
Pyramid Mountain Lumber, Inc.	8/6/2009	125	-3.1%	10.6%	9	53	33	26	4
Sun Mountain Lumber, Inc.	8/6/2009	158	25.4%	45.0%	6	18	12	118	4
J & R Planing, Inc.	9/23/2009	31	-3.1%	-13.9%	4	5	7	12	3
Hanson Trucking, Inc.	10/2/2009	38	-2.6%	-24.0%	10	7	21	0	0
F.H. Stoltze Land & Lumber Comp.	11/4/2009	125	-3.8%	12.6%	16	51	52	4	2
White River Contracting, LLC*	12/28/2009	64	-28.1%	-27.3%	17	24	11	7	5
Timber Solutions, Inc.	12/29/2009	--	--	--	--	--	--	--	--
Smith Logging, Inc.	2/12/2010	7	0.0%	-50.0%	0	0	0	7	0
John Jump Trucking, Inc.	3/24/2010	12	33.3%	50.0%	4	8	0	0	0
TOTAL / AVERAGE % CHANGE		**560**	**2.3%**	**0.4%**	**66**	**166**	**136**	**174**	**18**

* *White River Contracting, LLC* is the entity that was created when *Rocky Mountain Holding Company* was disolved in an employee buyout.

Summary of Employment & Labor Income by Skill Category, June 30, 2019

Number of Companies That Reported Figures: 8

	Employees		Wages Paid to Employees	
Skill Category	**Number**	**% of Total**	**Annual Total**	**Annual Avg.**
Managers/Professional	66	11.8%	$ 4,711,218	$ 71,382
Skilled	166	29.6%	$ 7,501,276	$ 45,188
Semi-skilled	136	24.3%	$ 5,187,034	$ 38,140
Unskilled	174	31.1%	$ 5,759,520	$ 33,101
Office & Clerical	18	3.2%	$ 740,753	$ 41,153
TOTAL	**560**	**100%**	**$ 23,899,801**	**$ 42,678**

FINANCIAL STATUS OF COMPANIES

Of the nine companies with Wood Products RLF loans as of June 30, 2019, six reported confidential profit and loss summaries as well as sales figures to the MDOC. See page 54 of the report for an explanation of why some company financial figures were not reported to the MDOC.

Average quarterly sales across all reporting companies was equal to $4,269,821 during calendar year 2019 representing an increase of 14.9 percent over the prior period (calendar year 2018) and representing a 175.2 percent increase over calendar year 2009. As companies pay off their Wood Products RLF loans they no longer report financial figures to the MDOC and as loans are added to the program's portfolio new companies begin reporting. Because of the changing make-up of the Wood Products RLF loan portfolio, comparing average financial figures from year to year for the program may be misleading.

To measure the financial status of companies with Wood Products RLF loans reporting to the MDOC while addressing the issue of a changing loan portfolio, each company's financial figures are compared to those from the previous year and then averaged across all companies.

Of the companies that reported financial figures for the prior period (six companies), only one (16.7 percent) realized an increase in average quarterly sales during 2019 compared to their sales in 2018 with an average decrease across all companies in quarterly sales of 8.5 percent. Five companies (83.3 percent) had better quarterly sales than during the year in which they received their first Wood Products RLF loan with an average growth of 41.0 percent over the respective year.

Of the six reporting companies, 50.0 percent (three companies) were profitable; across all companies, on average they were operating at an average loss of $134,964 per quarter during the period. One of the six companies that reported figures for the prior period (16.7 percent) had better average quarterly profits/losses than they did in 2018 and all six (100.0 percent) had better profits/losses than they did during the year in which they received their first Wood Products RLF loan.

EMPLOYMENT IMPACTS ON LOCAL PRODUCTION

As of June 30, 2019 the average output per worker across industries Wood Products RLF loan recipients did business in was equal to $268,681 per worker. That calculates to an estimated impact of the 560 employees working for the eight reporting companies of $150.5 million in production within the Montana economy.

Compared to the previous period (June 30, 2018), on average estimated output per worker increased by 5.8 percent representing a total output value of employment increase of 5.3 percent. Because more and more companies are paying off their Wood Products RLF loans releasing them from their reporting obligations to MDOC, the calculated change from the prior period isn't necessarily representative of actual change in output value of production within the local economy. Year to year comparisons using this metric should be used with caution for this reason.

Looking back to 2009, these figures represent a 43.9 percent increase in average output per worker and a 14.8 percent increase in the total output value of employees.

Estimated Output Value of Workers Employed by Companies with Wood Products RLF Loans as of June 30, 2019

Number of Reporting Companies	Total Number of Employees	Average Output Value per Worker*	Total Output Value of Employees
8	560	$ 268,681	**$ 150,461,424**

* Source: Implan 2018 Montana State Multiplier Model; most recent model available at the time of analysis.

TAXABLE VALUE OF PROPERTY

As of June 30, 2019, companies with Wood Products RLF loans owned land, improvements and business equipment valued at $77.0 million by the Montana Department of Revenue. That represents a taxable value of more than $1.2 million worth of Montana property in 2019.

Market & Taxable Value of Property Owned by Companies with Wood Products RLF Loans as of June 30, 2019 [1]

Property Type[2]	Market Value 2019	Taxable Value 2019
Class 3, 4 & 10 - Land	$ 19,571,841	$ 122,367
Class 4 - Improvements	$ 14,514,650	$ 267,777
Class 8 - Equipment	$ 42,886,530	$ 815,536
Total	**$ 76,973,021**	**$ 1,205,680**

1. Property market values were provided by the Montana Department of Revenue. Values represent tax year 2019 certified values.
2. *Class 3 - Land* is grazing land and non-qualified ag land; *Class 4 - Land* is tract land, town lots, industrial land, and building sites on non-qualified ag land; *Class 10 - Land* is forestland.

WOOD PRODUCTS REVOLVING LOAN FUND – 2020 ANNUAL UPDATE

As of June 30, 2020, the Wood Products RLF had 30 loans since the inception of the program in 2009. Of those loans, 14 are currently outstanding, 13 have been paid in full or under renegotiated terms[10], and the remaining three are either defaulted or written off.

White River Contracting, LLC dba Rocky Mountain Homes has received two separate Wood Products RLF loans. Sun Mountain Lumber, Inc. and John Jump Trucking, Inc. have both received three separate Wood Products RLF loans. Pyramid Mountain Lumber, Inc. has received four separate Wood Products RLF loans.

As of June 30, 2020, thirteen of the Wood Products RLF loans have been paid off (see table to the right). Fourteen of the Wood Products RLF loans were still outstanding and current. The remaining three loans were either defaulted on or written off.

Neville Log Homes, Inc. closed its doors for operation in November of 2010. The company's Wood Products RLF loan has since been written off.

Kelly Logging, Inc. defaulted on their Wood Products RLF loan and has been turned over to the Montana Department of Revenue for collections.

Eureka Pellet Mills, Inc. defaulted on their Wood Products RLF loan which is currently being handled by MDOC Legal.

Wood Products RLF - Status of Program Loans
Current as of June 30, 2020

Business Name	Program Loan Close Date	Program Loan Status
Kelly Logging, Inc.	8/6/2009	Defaulted
Pyramid Mountain Lumber, Inc.	8/6/2009	Current
Sun Mountain Lumber, Inc.	8/6/2009	Current
J & R Planing, Inc.	9/23/2009	Current
McFarland Logging	10/1/2009	Paid-off 12/31/2012
Hanson Trucking, Inc.	10/2/2009	Current
SACS Trucking, Inc.	10/9/2009	Paid-off 9/3/2013
Neville Log Homes, Inc.	10/20/2009	Written Off
Wedge Wood Products LLC	10/30/2009	Paid-off 6/12/2014
F.H. Stoltze Land & Lumber Company	11/4/2009	Current
Parke Logging, Inc.	11/12/2009	Paid-off 11/14/2016
Luck-E-G of Montana, Inc.	11/30/2009	Paid-off 12/30/2013
Tricon Timber, LLC	12/21/2009	Paid-off 3/28/2013
Rocky Mountain Holding Company	12/28/2009	Current
Timber Solutions, Inc.	12/29/2009	Paid-off 1/2/2020
Jubilee Transport LLC	1/9/2010	Paid-off 5/27/2011
Smith Logging, Inc.	2/12/2010	Paid-off 12/2019
Centennial Wood Products, Inc.	3/1/2010	Paid-off per Loan Mod
Gary Bailey Logging, Inc.	3/19/2010	Paid-off 10/20/2016
John Jump Trucking, Inc.	3/24/2010	Current
John Jump Trucking, Inc.	2/8/2012	Paid-off 12/3/2018
Eureka Pellet Mills, Inc.	1/11/2013	Defaulted
Pyramid Mountain Lumber, Inc.	7/10/2013	Current
SK Fingerjoint, Inc.	11/16/2015	Paid-off 6/7/2018
Sun Mountain Lumber, Inc.	12/16/2015	Current
Pyramid Mountain Lumber, Inc.	1/6/2016	Current
John Jump Trucking, Inc.	4/10/2017	Current
White River Contracting, LLC	1/7/2019	Current
Pyramid Mountain Lumber, Inc.	9/17/2019	Current
Sun Mountain Lumber, Inc.	6/23/2020	Current

Total Wood Products RLF Loans to Date	**30**
Outstanding Loans	**14**
Paid in Full	**13**
Other (Defaulted / Written Off)	**3**

As of June 30, 2020, there were seven Montana companies vested in the wood products industry that had 14 current loans through the Wood Products Revolving Loan Fund (referred to as the Wood Products RLF hereafter).

From June 30, 2019 through June 30, 2020 two new Wood Products RLF loans were awarded to **Pyramid Mountain Lumber, Inc.** and **Sun Mountain Lumber, Inc.** Pyramid Mountain Lumber, Inc. had previously

[10] Centennial Wood Products, Inc. paid off their loan after negotiating modified terms with MDOC.

received Wood Products RLF loans in 2009, 2013, and 2016. Sun Mountain Lumber, Inc. had previously received Wood Products RLF loans in 2009 and 2016.

Of the seven companies with Wood Products RLF loans, six reported employment figures and due to the timing of this report, no financial figures for 2020 were available.

Smith Logging, Inc. paid its Wood Products RLF loan in full in December of 2019 releasing them from the reporting obligations; the company is omitted from the following employment and financial analysis.

Timber Solutions, Inc. paid its Wood Products RLF loan in full in January of 2020 releasing them from the reporting obligations; the company is omitted from the following employment and financial analysis.

White River Contracting, LLC had not reported employment figures to MDOC at the time this report was compiled; the company's employment figures are omitted from the following analysis.

Wood Products Revolving Loan Fund Funding Summary as of June 30, 2020

		Wood Products RLF			
Business Name	**Loan Date**	**EDA**	**State**	**CDBG-R**	**Total**
Total Lending as of June 30, 2019	--	$ (8,250,000)	$(7,510,267)	$ (1,495,199)	$(17,255,466)
Pyramid Mountain Lumber, Inc.	9/17/2019	$ (1,250,000)	$ -	$ -	$ (1,250,000)
Sun Mountain Lumber, Inc.	6/23/2020	$ (750,000)	$(1,250,000)	$ -	$ (2,000,000)
Total Lending as of June 30, 2020	--	**$ (10,250,000)**	**$(8,760,267)**	**$ (1,495,199)**	**$(20,505,466)**
Original Funds Available	--	$ -	$ -	$ -	$ -
Revolved Funds Available	--	$ 97,287	$ 472,315	$ -	$ 569,602
Total Available Funds	--	**$ 97,287**	**$ 472,315**	**$ -**	**$ 569,602**

NOTE - totals may not sum due to rounding.

Wood Products Revolving Loan Funding & Total Project Amount Summary as of June 30, 2020

Business Name	**Loan Date**	**Total Wood Products RLF**	**Other MDOC Funding**	**Total MDOC Funding**	**Leverage Amounts**	**Total Project Amount**
Total as of June 30, 2019 *(millions $)*	--	$ (17.255)	$ (0.299)	$ (17.555)	$ (31.687)	$ (49.242)
Pyramid Mountain Lumber, Inc.	9/17/2019	$ (1.250)	$ -	$ (1.250)	$ (1.600)	$ (2.850)
Sun Mountain Lumber, Inc.	6/23/2020	$ (2.000)	$ -	$ (2.000)	$ (6.230)	$ (8.230)
TOTAL *(millions $)*	--	**$ (20.505)**	**$ (0.299)**	**$ (20.805)**	**$ (39.517)**	**$ (60.322)**

EMPLOYMENT & LABOR INCOME

As of June 30, 2020, the six Montana businesses in the wood products industry that received loans from the MDOC Wood Products RLF and reported employment figures to the MDOC (see page 59 for an explanation of non-reporting companies) employed 477 people with an average annual salary of $43,954 – an increase of 3.0 percent over the prior period. Most of these positions were skilled and unskilled jobs earning, on average, $47,861 and $34,430 in annual wages and salaries, respectively.

Compared to the prior period (June 30, 2019), on average there was a 6.8 percent decline in total employment across companies who were still reporting employment figures to MDOC. Compared to the first year the respective company received its Wood Products RLF loan, there was an average 4.5 percent increase in total employment across the companies.

For all employee classification groups, average annual wages and salaries increased over the prior period (June 30, 2019).

Employment by Skill Category For Businesses with Outstanding Wood Products RLF Loans as of June 30, 2020

Number of Companies with Outstanding Wood Products RLF Loan: 7
Number of Companies That Reported Figures: 6

Business Name	Date of First Loan	Total Employees	% Change From Prior Year	% Change from Year of 1st Loan	Manager/ Prof.	Skilled	Semi-Skilled	Unskilled	Office/ Clerical
Pyramid Mountain Lumber, Inc.	8/6/2009	129	3.2%	14.2%	10	50	32	33	4
Sun Mountain Lumber, Inc.	8/6/2009	151	-4.4%	38.5%	6	18	12	111	4
J & R Planing, Inc.	9/23/2009	27	-12.9%	-25.0%	4	5	6	10	2
Hanson Trucking, Inc.	10/2/2009	38	0.0%	-24.0%	9	7	22	0	0
F.H. Stoltze Land & Lumber Comp.	11/4/2009	123	-1.6%	10.8%	15	53	48	5	2
White River Contracting, LLC*	12/28/2009	--	--	--	--	--	--	--	--
Timber Solutions, Inc.	12/29/2009	--	--	--	--	--	--	--	--
Smith Logging, Inc.	2/12/2010	--	--	--	--	--	--	--	--
John Jump Trucking, Inc.	3/24/2010	9	-25.0%	12.5%	4	4	0	0	1
TOTAL / AVERAGE % CHANGE		**477**	**-6.8%**	**4.5%**	**48**	**137**	**120**	**159**	**13**

* *White River Contracting, LLC* is the entity that was created when *Rocky Mountain Holding Company* was disolved in an employee buyout.

Summary of Employment & Labor Income by Skill Category, June 30, 2020

Number of Companies That Reported Figures: 6

	Employees		Wages Paid to Employees	
Skill Category	**Number**	**% of Total**	**Annual Total**	**Annual Avg.**
Managers/Professional	48	10.1%	$ 3,533,479	$ 73,614
Skilled	137	28.7%	$ 6,556,961	$ 47,861
Semi-skilled	120	25.2%	$ 4,858,048	$ 40,484
Unskilled	159	33.3%	$ 5,474,352	$ 34,430
Office & Clerical	13	2.7%	$ 543,341	$ 41,795
TOTAL	**477**	**100%**	**$ 20,966,181**	**$ 43,954**

FINANCIAL STATUS OF COMPANIES

At the time this report was compiled, no companies with outstanding Wood Products RLF loans had financial figures for 2020 available. Therefore, no financial figures were reported to MDOC for 2020. Please refer to the *2019 Annual Update* for the most recently reported financial figures and summary of companies with outstanding Wood Products RLF loans.

EMPLOYMENT IMPACTS ON LOCAL PRODUCTION

As of June 30, 2020, the average output per worker across the industries Wood Products RLF loan recipients did business in was equal to $288,162 per worker. That calculates to an estimated impact of the 477 employees working for the 6 reporting companies of $137.5 million in production within the Montana economy.

Compared to the previous period (June 30, 2019), on average estimated output per worker increased by 7.3 percent representing an 8.6 percent decrease in total output value of employment. Because more and more companies are paying off their Wood Products RLF loans releasing them from their reporting obligations to MDOC, the calculated change from the prior period isn't necessarily representative of actual change in output value of production within the local economy. Year to year comparisons using this metric should be used with caution for this reason.

Looking back to 2009, these figures represent a 54.3 percent increase in average output per worker and a 4.9 percent increase in the total output value of employees.

Estimated Output Value of Workers Employed by Companies with Wood Products RLF Loans as of June 30, 2020

Number of Reporting Companies	Total Number of Employees	Average Output Value per Worker*	Total Output Value of Employees
6	477	$ 288,162	**$ 137,453,189**

* Source: Implan 2018 Montana State Multiplier Model; most recent model available at the time of analysis.

TAXABLE VALUE OF PROPERTY

Property market and taxable values for tax year 2020 were not yet available from the Montana Department of Revenue at the time this report was published. For the most recent figures on market and taxable value of property owned by companies with a Wood Products RLF loan, see the *2019 Annual Update*.

PROGRAM FEEDBACK FROM BUSINESSES

Below is quoted feedback from businesses that received Wood Products RLF loans about the program and its impact. Also included in Appendix E, F, G and H are letters mailed to the MDOC from loan recipients discussing the positive impact the Wood Products RLF program had on their businesses.

"We probably wouldn't be in business today if it were not for the CDBG [Wood Products RLF] loan."
- Smith Logging, Inc.

"Overall this program has been extremely beneficial to Sun Mountain Lumber. It essentially allowed us to continue to purchase logs, keep the sawmill running, and make payroll during the unprecedented housing crisis and recession of the last several years."

"We are of course very grateful for this loan which came at a critical time for us. A number of external factors including the exchange rate with Canada, the expiration of the Softwood Lumber Agreement, and poor housing starts combined to make 2015 a very rough year for the wood products industry. Fortunately, the WP RLF loan has allowed us to keep the mill running and our employees working while these conditions improve. The lumber market is already showing substantial improvement this year compared to last year."

"The WP RLF was critical to our survival during the recession and the serval years that followed due to very poor lumber markets. Now that the housing market has improved, lumber prices are at record highs. This has allowed us to go back to a two shift operation and hire an additional 28 employees."

August 4th, 2020 – *Sun Mountain Lumber has been the successful recipient of 3 different loans through the WPRLF. These loans have come at critical times to allow us to continue to run our sawmill, planer and finger jointed stud manufacturing facilities in Deer Lodge and keep our employees working. The most recent loan will help finance a new planer facility which will further ensure our competitiveness and stabilize jobs for years to come. This commitment from the State of Montana also helped secure the additional financing needed from our bank for this project."*
- Sun Mountain Lumber, Inc.

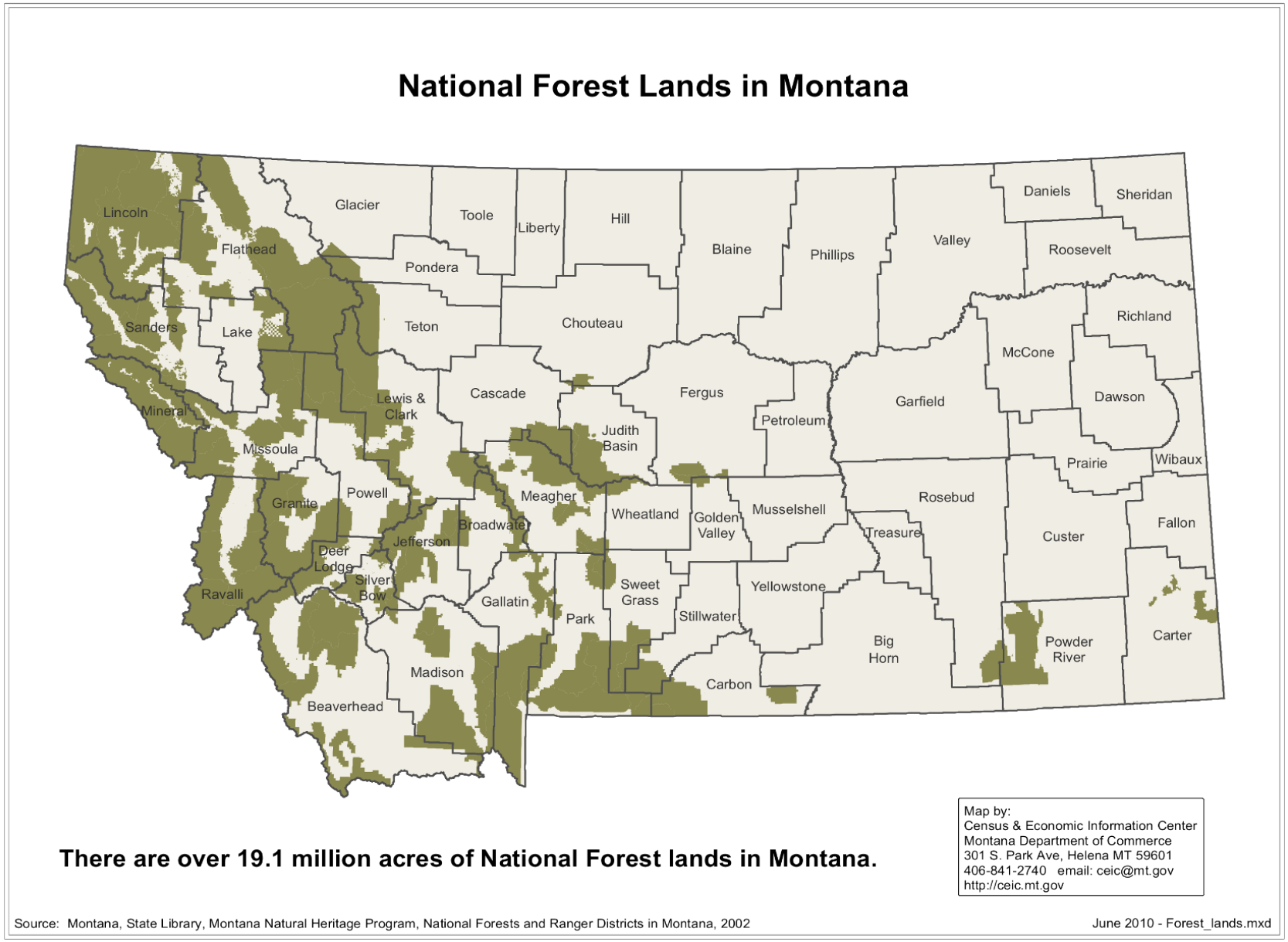
"The money we received was used to put in a new planer line, a Weinig moulder and shavings bin as well as a cash cushion that allowed us to survive the last 5 years. The additional equipment that we were able to install increased our ability to create revenue to offset our overhead costs as well as hire new employees. The RLF timing was on point as the availability of the funds gave us the ability to maintain our current business as well as develop new products that are offering us a bright future today. We are currently expanding our business to another location to help us satisfy the demand we have created with our new products. Without the help of these funds, I'm not sure we would have been able to not only survive the recession, but actually grow our business in the process."

- J & R Planing, Inc.

"The WPRLF program has helped SK Fingerjoint, Inc. greatly. Having the extra funds available to purchase inventory above and beyond our normal purchasing amounts has given our company the ability to stock lower priced inventory, leaving us more competitive and profitable in our sales."

- Robert D. Kneller, Owner – SK Fingerjoint, Inc.

APPENDIX A. LOCATION OF NATIONAL FOREST LANDS IN MONTANA



APPENDIX B. COMPARISON OF WOOD PRODUCTS REVOLVING LOAN FUND SOURCES

	Wood Products Revolving Loan Fund		
	CDBG - R	**EDA/State General Fund**	**State General Fund (HB 645)**
Funding Amount*	$1,495,199	$5 million	$4.8 million
Applicant	Local Government	Business	Business
Interest Rate	5% - flexible	Not less than 4%	Generally 4% but not less than 1%
Match/Leverage	1:1 match	2:1 match (private only)	1:1 match
Funding Limits	$400,000 per program year No more than $2 million per request - all sources	$2 million No more than $2 million per request - all sources	$2 million 2 years after first loan approved No more than $2 million per request - all sources
Terms	Standard loan terms; Mach/Equip 5-10 years; Real Estate 15-20 years; Working Capital 7 years	Standard loan terms; Mach/Equip 5-10 years; Real Estate 15-20 years; Working Capital 7 years	Up to 15 years; MDOC will determine terms
Deferral	2-year	1-year	1-year
Funding Type	Loan	Loan	Loan
Amount Per Job	$25,000 per job	$20,000 per job	$20,000 per job, in general; MDOC discretion
Administration	up to 8% admin	No admin	No admin
Jobs	Tracked - monthly for 1st 2 years of the loan	Tracked - monthly for 1st 2 years of the loan	Tracked - monthly for 1st 2 years of the loan
Permanent Year-Round Job	Yes	Yes	State preference for full time, permanent, year-round jobs
Loan Payments	Payments to MDOC or Local Government	Payments to MDOC	Payments to MDOC
Eligible Assisted Business	Non-profit & for-profit	Non-profit & for-profit	For-profit

* $2.7 million of the $7.5 million allocated from the State General Fund was used to leverage the $2.7 million received from the EDA; $200,000 of the $2.7 million from the State General Fund was used to leverage $200,000 from the EDA for administrative costs. In total, the MDOC received almost $11.7 million; almost $11.3 million for funding and $400,000 for adminstrative costs.

APPENDIX C. LOCATION OF COMPANIES THAT RECEIVED WOOD PRODUCTS REVOLVING LOAN FUND LOANS

APPENDIX D. SUMMARY OF SMURFIT-STONE CREDITORS' ACCOUNTS RECEIVABLES PURCHASED BY MISSOULA AREA ECONOMIC DEVELOPMENT CORPORATION (MAEDC)

	Wood Products RLF - State Funding		Employment at Time of Settlement
Original Funds Available	**$**	**539,000**	
Smurfit-Stone Creditor			
Benson Logging	$	(17,772)	3
CNF (Merged with Cheff Logging)	$	(5,918)	0
Ed Cheff Logging LLC	$	(13,344)	10
F.H. Stoltze Land & Lumber Company*	$	(2,368)	***
Fire Solutions, Inc.	$	(6,317)	2
John Jump Trucking, Inc.*	$	(21,431)	***
Johnson Brothers Contracting, Inc.	$	(90,188)	19
Miller Trucking, Inc.	$	(42,828)	15
Mote Lumber	$	(21,933)	1
Northey Forestry Consulting, LLC	$	(8,540)	1
Northwest Management, Inc.	$	(33,280)	6
Opportunity Resources, Inc.	$	(16,324)	9
Osler Logging, Inc.	$	(37,381)	10
Ottman Forestry Consultants, Inc.	$	(12,455)	5
Pyramid Mountain Lumber, Inc.*	$	(16,879)	***
Smith Forestry Consulting	$	(6,728)	1
Tricon Timber, LLC*	$	(179,939)	***
Woodland Restoration, Inc.	$	(3,284)	2
Total	**$**	**(536,909)**	**84**
Remaining Funds Available**	**$**	**2,091**	**--**

* Number of employees included in other table for loans received from the MDOC, not included to prevent double counting.

** The remaining funds available with MAEDC ended up being part of the asset transfer to the MDOC during the dissolution of MAEDC.

APPENDIX E. PROGRAM FEEDBACK FROM PARKE LOGGING, INC.

PARKE LOGGING

151 East Mullan Trail
Drummond, Montana 59832

Telephone: (406) 288-3265
Fax: (406) 288-3266
E-mail: saw1@blackfoot.net

March 28, 2014

To Whom It May Concern;

In 2008 Parke Logging, like many other companies in the logging and forest product industries, was experiencing severe curtailments in production due to the decrease in the demand for lumber when construction and housing markets adjusted. Experience dictated that the market would rebound but the question was how to survive until that happened.

Parke Logging had traditionally operated three sides. Each side consisted of a feller buncher, rubber tire skidder, and slide boom delimber. In 2009 we were considering eliminating one side (approximately 4 jobs), because we couldn't afford to purchase the timber sales requisite to keep everything operating. (Please find attached a letter from that period outlining our intent). Near this time we were made aware of the Wood Products Revolving Loan Fund (RLF) Program. We felt monies at a low interest from this fund might enable us to purchase additional timber sales and keep all of our equipment and personnel working.

We did in fact obtain a WIPRS loan and utilized the funds as described above. We have continued to operate throughout the economic downturn without a reduction in force. The prospects for next year are better than they have been for some time and we are looking forward to many years of continued operation.

Sincerely,

Charles Parke
President

PYRAMID MOUNTAIN LUMBER INC.
379 Boy Scout Road
P.O. Box 549
Seeley Lake, Montana 59868
(406) 677-2201
visit our website at www.pyramidlumber.com

April 10, 2014

Danielle Williams, WPRIS Program Specialist
Montana Department of Commerce
Business Resources Division
Box 200505
Helena, MT 59620-0505

Dear Danielle:

As you know, Pyramid Mountain Lumber is a huge fan of Montana's Distressed Wood Products Industry Revolving Loan Program. We accessed the program in 2009 for $2,000,000 of working capital. That was at the tail end of the housing market depression and Pyramid had expended its' reserves funding losses to keep the mill running. Attached is a copy of the Random Lengths Framing Lumber Composite. Looking at the last column, you can see the depth of the lumber price depression. It wasn't until last year that prices recovered to near 2005 levels. Without that loan, we could not have purchased enough logs to keep operating the winter of 2009 - 2010, jeopardizing 150 good paying jobs. Since that first loan package, we have made every scheduled payment timely.

Last year a couple of opportunities presented themselves, opportunities we felt needed to be seized to improve our long term viability. Fortunately, I checked to see if the Revolving Loan Fund was growing to a point where additional loans could be applied for. Through another $650,000 WPRIS loan, Pyramid was able to complete two projects critical in improving our production capabilities. A third project was started and will be completed early this summer.

In sawmilling, production is king. The more lumber you can produce, the lower your unit cost, the better your margin. That is the same formula for any manufacturer. At Pyramid, we had two bottle necks, our lumber stacker at the very end of the sawmill process and our trimmer line just ahead of the stacker. Our sawmill supervisor and head electrician toured a couple of mills and looked at "state of the art" lug loaders, the equipment that presents boards to the trimmer line. They came back adamant that we needed a COMACT lug loader because of the production increase it offered. However, the added production would only make the bottleneck worse at the stacker. We brought consultants in and developed a plan for a stacker upgrade. Once that plan was agreed too, we ordered the lug loader.

At the stacker, the problem was not the stacker itself, but the lumber presentation. All of the chains traveled at the same speed, the unscrambler that fed the chains was too steep and did not have the ability to singulate boards. We bought a new unscrambler and had a series of speed up chains engineered that would help singulate boards once they came off the unscrambler. It took almost a week to tear out all the old equipment and install the new. Then electricians spent considerable time adjusting photo eyes and chain speeds. The end result was going from stacking 6 courses a minute to 8 courses a minute. The stacker is no longer a bottleneck.

The lug loader projected required a new office for all the computer and electrical components. There had to be new hydraulic units installed and plumbed, as well as considerable electrical wiring. All of that was done in advance of the lug loader arriving. The installation took most of a week with all of our millwrights and electricians involved, plus two technicians from COMACT. Without question, it was the best project we have ever done. It started up on time and did exactly what the vendors said it would do. The result is almost a 100% lug fill rate and a production increase of 5% to 10%, depending on the specie. Equipment ahead of the lug loader can now run closer to capacity.

The enclosed short video shows the new unscrambler and lug loader.

A log yard waste separator was the third project. It is a large hopper material is dumped into and a series of belts and blowers that separates woody material from dirt and rock. There are four different products that drop out; bark, dirt, rock and broken log ends. The bark is sold as beauty bark, log ends with go into our chipper and sold as chips, rock is something we use a lot of on our log yard runways and we are hopeful that the dirt can be sold. We had been considering one for years and had looked at one in central Idaho that did exactly what we needed. The owners of that mill called and asked if we would be interested in purchasing their equipment. There had been no budgeting or planning for a waste separator, but we felt we had to move on the equipment and work it in. Last summer we got all the equipment here, poured all the concrete, ran all of the underground electrical wiring and built the control room and got it wired. This summer we will set the equipment and fire it up. Currently, we are handling all of this material anyway. It is clean up from various places in our process that is getting landfilled. This project will generate revenue and employ a couple of folks running the equipment.

Of all of the programs run by the State of Montana, this may be the best one. It has sure meant a great deal to Pyramid Mountain Lumber and the community of Seeley Lake!

Respectfully,

Loren

Loren Rose
Chief Operating Officer
Pyramid Mountain Lumber, Inc.

PYRAMID MOUNTAIN LUMBER INC.
379 Boy Scout Road
P.O. Box 549
Seeley Lake, Montana 59868
(406) 677-2201

June 17, 2016

TO: Legislative Economic Affairs Interim Committee.

FROM: Loren Rose, Chief Operating Officer
Pyramid Mountain Lumber, Inc.

RE: WPIRS

2015 was by far the worst year in the 66 year history of Pyramid Mountain Lumber. The losses were such that all of our working capital evaporated and our borrowing ability was seriously hampered. At year end we had less than $1.5 MM left on our operating line of credit and only had 1.045 million board feet of logs in the yard. Our goal for log inventory is 10 million board feet by mid-March. With log costs averaging $400 per MBF, it would take $3.6 MM to bring in an additional 9 million board feet of logs.

Without the Montana Distressed Wood Products Industry Revolving Loan Fund Program, Pyramid would not have been able to "wood" the mill in January and February. That would have meant layoffs and some of our workforce would have had to relocate for other work. The workforce in Montana is extremely thin and we already have a hard time hiring. Losing good people and developing a reputation for running inconsistently could have been our death knell. A certain level of production is critical for keeping our production costs competitive.

When Pyramid applied for the loan, it was obvious we were on the right course, just needed more time and a little help. While we got the help in the form of additional capital, we did not receive the help we were hoping for from the lumber market. We knew that if we could force log prices down the $400 per MBF, we could survive in this market. Log prices did get to where they needed to and we have be profitable the last couple of months.

Log availability has been a problem in early 2016 due to the weather. It started raining in February and we basically lost a month of what would typically be our best logging weather. That caused most of the mills to adjust production schedules to match the logs available. We have done that for over two months, but had the luxury of having a large enough rough dry inventory that we could send sawmill people to the planer to surface our excess production. This helped keep costs down, keep all of our people working and developed more product to ship, helping our cash flow.

The State of Montana having confidence in Pyramid allowed us to operate the last six months under very trying conditions, maintaining the flexibility this industry requires and keeping all of our employees working. WPIRS will be an important program for the foreseeable future as Montana forest products companies struggle to survive. Thank you!

Respectfully,

Loren Rose

Loren Rose
Chief Operating Officer
Pyramid Mountain Lumber, Inc.

APPENDIX H. PROGRAM FEEDBACK FROM PYRAMID MOUNTAIN LUMBER, INC

PYRAMID MOUNTAIN LUMBER INC.
379 Boy Scout Road
P.O. Box 549
Seeley Lake, Montana 59868
(406) 677-2201

visit our website at www.pyramidlumber.com

July 31, 2020

Carolyn Jones, WPRIS Program Manager
Montana Department of Commerce
Business Resources Division
Box 200505
Helena, MT 59620-0505

Dear Carolyn:

After 34 years and finding a more than capable replacement, I am retiring as of the end of August. One of the things I will miss most are all of the relationships built over the years. I count Pyramid's relationship with the State of Montana as one of those most valued.

You might say Pyramid Mountain Lumber is the poster child of the Distressed Timber Industry Loan Fund. We were there at the inception and had one of the first loans in June of 2009. That was at the tail end of the worst four years of our history. We, and others like us, were barely hanging on. That initial working capital loan of $2,000,000 allowed us to get back on our feet, get logs purchased and turn things around. 2010 was our best year ever and we would have missed it without that loan.

Staying competitive in this business requires a great deal of capital. We came back for a second loan in 2013 to upgrade our optimized board edger. Everything seemed to be humming along until late 2014, when the lumber market took a severe turn for the worse. 2015 was our worst year ever and we came back a third time for a working capital loan, this one $1,500,000. Again, without that infusion it would be most difficult to continue operations.

Since then we have had steady operations and employment. We have even used cash flow to fund some smaller projects. The owners decided to go "all in" last year and purchase an automatic lumber grader, a new planer trimmer and stacker, as well as sorting trays above our existing dry chain. Not being bashful, we presented our project to the Department of Commerce and the revolving loan fund financed half of the automatic lumber grader.

A good business partnership has to go both ways. Pyramid has been before the loan committee four times and are extremely grateful they said yes four times. We have borrowed a total of $5,400,000 over an eleven-year period and currently owe $3,296,243.90. All of our payments have been made timely and all of our reporting requirements have been met. Hopefully the State of Montana feels we have been a good partner.

The owners of Pyramid are extremely committed to the industry, our employees, Seeley Lake and Montana. Keeping the doors open is an ongoing battle. Without the Wood Products Industry Recovery and Stabilization program the battle could easily have been lost many years ago!

Carolyn, thanks for all of your support over the years. You have met Wendy Dalrymple, our new controller. Pyramid will not miss a beat with Wendy taking my chair. Just reach out to her whenever there is a need and know she will do the same.

Respectfully,

Loren

Loren Rose
Chief Operating Officer
Pyramid Mountain Lumber