

Great Falls Development Authority, Inc.
Financial Report
December 31, 2017

Page 1 – Statement of Financial Position:

Net assets decreased \$359,744 during the six months ended December 31, 2017.

During August GFDA borrowed \$201,245 from First Interstate Bank. The net proceeds, \$200,000, were used to finance the relocation of electric transmission lines at AgriTech Park. The \$200,000 amount has been expensed and is the primary reason for the decrease in net assets.

GFDA also borrowed \$30,000 during November and \$50,000 during August under its line of credit with First Interstate Bank. The line of credit loan totaled \$150,000 at December 31, 2017.

Cash restricted for loans and grants increased \$109,186 during the six months ended December 31. One loan was closed during July in the principal amount of \$22,500 and another loan was closed in December in the principal amount of \$19,000.

Page 2 – Statement of Activities and Changes in Net Assets:

Private support and sponsorship revenues totaled \$110,920 for the six-month period, a decrease of \$124,575 compared to the same period last fiscal year.

Pages 3 and 4 – Comparison with “Operating” and “Non-Operating” Budgets

Page 3 is a comparison of GFDA’s actual results through December with a prorated budget amount for the “Operating” portion of GFDA’s budget.

The total budget amount has been prorated primarily by using time (6 of 12 months), with exceptions for grant revenues and expenses. TIF District reimbursements and expenses, if any, are not reflected on the budget comparison.

Total revenues through December were approximately \$112,100 less than the prorated budget amount with the most significant under budget item being Private Support revenues.

Total expenses were approximately \$39,600 less than the prorated budget amount with significant over budget line items including real estate taxes, business development, insurance and other expenses.

Page 4 is a comparison of GFDA’s actual results through December with a prorated budget amount for the “Non-Operating” portion of GFDA’s budget.

Page 5 – Accounts Receivable, Accounts Payable, Accrued Liabilities and Professional Fees

This page lists GFDA’s receivables, payables and accrued liabilities at December 31, 2017 and Professional Fee expenses recognized through December 31.

Page 6 – AgriTech Park

This page reflects AgriTech Park revenues and expenses for the six months ended December 31, 2017 and for the period from inception through December 31, 2017. Also presented are TIF district expenses incurred to date as well as the TIF district budget.

Great Falls Development Authority, Inc.
Statement of Financial Position
December 31 and June 30, 2017

	<u>December 31,</u> <u>2017</u>	<u>June 30,</u> <u>2017</u>
Current Assets		
Cash and Cash Equivalents	\$ 50,723	\$ 422,725
Cash Restricted For Loans and Grants	795,086	685,890
Accounts Receivable	40,826	27,855
Accrued Interest Receivable	41,013	40,061
Current Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$19,000)	<u>362,077</u>	<u>354,431</u>
 Total Current Assets	 1,289,725	 1,530,962
 Office Furniture and Equipment - Net	 9,713	 13,466
 Noncurrent Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$495,050)	 <u>8,620,246</u>	 <u>8,774,367</u>
 Total Assets	 <u>\$ 9,919,684</u>	 <u>\$ 10,318,795</u>
 Current Liabilities		
Accounts Payable	\$ 130,290	\$ 120,159
Accrued Liabilities	108,381	95,518
Current Portion of Notes Payable	181,835	108,545
Deferred Grant Revenues	73,439	104,656
Due To High Plains Financial, Inc.	<u>7,399</u>	<u>1,476</u>
 Total Current Liabilities	 501,344	 430,354
 Noncurrent Notes Payable		
First Interstate Bank Loan	189,643	300,000
MDOC - Microloan Note Payable	500,000	500,000
CDFI - Enterprise Fund	<u>250,000</u>	<u>250,000</u>
 Total Noncurrent Liabilities	 <u>939,643</u>	 <u>1,050,000</u>
 Net Assets		
Beginning of Year	8,838,441	7,767,581
Increase (Decrease) in Net Assets - Current Year	<u>(359,744)</u>	<u>1,070,860</u>
 Total Net Assets	 <u>8,478,697</u>	 <u>8,838,441</u>
 Total Liabilities and Net Assets	 <u>\$ 9,919,684</u>	 <u>\$ 10,318,795</u>

Great Falls Development Authority, Inc.
Statement of Activities and Changes in Net Assets
For The Six Months Ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenues				
Private Support	\$ 110,620	\$ -	\$ -	\$ 110,620
Sponsorships	300	-	-	300
Public Support	50,000	-	-	50,000
Total Support	160,920	-	-	160,920
Grants	-	115,554	-	115,554
Contracts and Program Revenues	-	50,239	-	50,239
Interest	56	252,155	-	252,211
Fees and Miscellaneous Income	35,660	733	-	36,393
Total Support and Revenues	196,636	418,681	-	615,317
Net Assets Released From Restrictions	417,153	(417,153)	-	-
Total Support, Revenues and Reclassifications	613,789	1,528	-	615,317
Expenses				
Strategic Priorities				
Business Attraction and Expansion	121,232	-	-	121,232
Great Falls AgriTech Park	338,902	-	-	338,902
Business Technical Assistance	110,819	-	-	110,819
Fundraising	-	-	-	-
Grants	105,559	-	-	105,559
Lending and Finance	260,795	-	-	260,795
Management and General	37,754	-	-	37,754
Total Expenses	975,061	-	-	975,061
Change in Net Assets	(361,272)	1,528	-	(359,744)
Revolving Loan Fund Expenses In Excess of Earnings	(17,194)	4,382	12,812	
Net Assets, July 1, 2017	3,033,071	1,052,954	4,752,416	8,838,441
Net Assets, December 31, 2017	\$ 2,654,605	\$ 1,058,864	\$ 4,765,228	\$ 8,478,697

Great Falls Development Authority, Inc.
 Comparison With 2017-18 "Operating" Budget
 Through the Six Months Ended December 31, 2017

	Total Through 12-31-17	Operating Budget		Over (Under) Budget
		Total	Prorated Thru 12-31-17	
Private Support	\$ 110,620	\$ 475,000	\$ 237,500	\$ (126,880)
Sponsorships	300			300
Public Support	50,000	50,000	50,000	
Support Collected	160,920	525,000	287,500	(126,580)
Program Revenues	50,239	90,572	45,286	4,953
Management	15,007	30,500	15,250	(243)
Grant Management	0	5,000	2,500	(2,500)
MT Food & Ag Development Center	25,844	50,000	25,844	
CDFI Grant		102,975		
EPA Assessment Grant	56,303	92,457	56,303	
EPA RLF Grant	10,245	83,644	10,245	
Other Grants	23,163	38,512	19,256	3,907
Interest	252,211	480,000	240,000	12,211
Miscellaneous Income	14,185	36,100	18,050	(3,865)
Total Income	608,117	1,534,760	720,234	(112,117)
Operating Expenses:				
Salaries and Wages	282,247	620,273	310,137	(27,890)
Payroll Expenses	81,781	194,971	97,486	(15,705)
Rent	21,129	42,000	21,000	129
Memberships and Dues	19,794	40,000	20,000	(206)
Business Development	30,645	50,000	25,000	5,645
Auto Expense	4,860	9,720	4,860	
Depreciation	3,753	7,500	3,750	3
Insurance	16,194	20,000	10,000	6,194
Meeting Expenses	3,475	16,000	8,000	(4,525)
Professional Fees				
AgriTech Park	15,476	25,000	12,500	2,976
EPA Assessment Grant	47,174	81,888	47,174	
EPA RLF Grant	1,156	74,492	1,156	
Labor Survey Grant	20,972	21,012	20,972	
MMEC		5,000		
Other	41,048	80,500	40,250	798
Yes For Cascade County Jobs		54,000		
Office Supplies, Computing & Copying	7,401	27,000	13,500	(6,099)
Postage	278	1,000	500	(222)
Professional Training	15,626	32,000	16,000	(374)
Publications	5,267	9,500	4,750	517
Other	10,967	13,245	6,623	4,345
Real Estate Taxes	48,788	80,000	40,000	8,788
Telephone	8,115	17,800	8,900	(785)
Travel	15,246	59,799	29,900	(14,654)
Allowance For Loan Losses				
Loan Servicing Fees		1,500	750	(750)
Interest	66,469	128,500	64,250	2,219
Operating Expenses	767,861	1,712,700	807,456	(39,595)
	\$ (159,744)	\$ (177,940)	\$ (87,222)	\$ (72,522)

Great Falls Development Authority, Inc.
 Comparison With 2017-18 "Non-Operating" Budget
 Through the Six Months Ended December 31, 2017

	<u>Total Through 12-31-17</u>	<u>Total Non-Operating Budget</u>	<u>Over (Under) Budget</u>
Grants			
CDBG Grants	\$	\$ 40,000	\$ (40,000)
CDFI Grant - Loan Capital		583,525	(583,525)
	<hr/>	<hr/>	<hr/>
Total Grant Income	0	623,525	(623,525)
	<hr/>	<hr/>	<hr/>
Move Transmission Line	200,000	200,000	
	<hr/>	<hr/>	<hr/>
Total Expenses	200,000	200,000	
	<hr/>	<hr/>	<hr/>
	\$ (200,000)	\$ 423,525	\$ (623,525)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Great Falls Development Authority, Inc.
Accounts Receivable, Accounts Payable, Accrued Liabilities and Professional Fees
December 31, 2017

	<u>Receivables</u>
PTAC Program	2,339
SBDC Program	5,447
City of Great Falls - BSTF Management	5,830
EPA Assessment Grant	1,149
Montana Food & Ag Development Grant	12,500
Specialty Crop Block Grant	1,289
TIF Reimbursement	12,272
	<hr/>
	40,826
	<hr/> <hr/>
	<u>Payables</u>
CM Russell Museum - EPA Grant	11,848
Church, Harris Johnson & Williams	2,139
Douglas Wilson & Co. PC	17,344
Dell Business Credit	10,892
Falcon, Lester & Schaff, P.C.	39,715
GIS Planning	5,000
Journal Communications, Inc.	7,990
NewFields	3,500
TD & H	2,800
US Bank Corporate	3,421
Violet Communications LLC	6,500
Wells Fargo - Credit Cards	10,977
Other Accounts Payable	8,164
	<hr/>
	130,290
	<hr/> <hr/>
	<u>Accrued Liabilities</u>
Interest	13,919
Real Estate Taxes	40,474
Payroll (Paid After Month-End)	27,137
Paid Time Off, Etc.	26,851
	<hr/>
	108,381
	<hr/> <hr/>
	<u>Professional Fees</u>
Accounting Fees	9,048
Audit Fees	17,344
Various Vendors - EPA RLF	1,979
Dimitir's Collection - Falcon, Lester & Schaff, P.C.	1,147
Labor Survey Grant	20,972
AgriTech Park - Falcon, Lester & Schaff, P.C.	15,476
EPA Assessment Grant	47,173
TIF Infrastructure	7,200
Other Professional Fees	12,687
	<hr/>
	133,026
	<hr/> <hr/>

Great Falls Development Authority, Inc.
AgriTech Park

	7-1-17 Thru 12-31-17	From Inception Thru 12-31-17	TIF District	
			Paid To Date	Budget
Cascade County Grant Income		25,000.00 812,600.00	<u>Lots 1 - 6</u>	
Sale of Lots - Net of Option		730,620.24	Pacific (Loans)	1,998,635.56
TIF District Reimbursement	7,199.69	2,363,793.62	Pacific	1,851,521.36
In Kind Contributions		3,675.00	MSM (Loan)	500,000.00
			GFDA	212,272.26
Total Income	7,199.69	3,935,688.86		4,562,429.18
				5,206,488.00
Engineering		302,408.43		
Engineering - TIF District	7,199.69	2,363,793.62		
Construction		691,934.25		
Consulting & Other		8,099.26	<u>Lots 7-10</u>	0.00
Legal	15,476.38	219,928.66		1,533,379.00
Move Transmission Line	200,000.00	200,000.00		
Grants Awarded		56,378.00		
Rail Crossing		4,000.00		
Engineering - In-Kind		16,513.79		
Appraisal, etc.		2,075.00		
Application Fees		4,128.00		
Salaries	10,143.91	426,797.85		
Payroll Expenses	3,005.33	104,643.23		
Advertising		6,616.41		
Other Expenses	1,967.26	4,758.46		
Travel		164.89		
Real Estate Taxes	48,787.66	296,519.29		
Interest	49,697.57	168,163.28		
Admin Allocation	2,623.78	93,751.54		
Total Expenses	338,901.58	4,970,673.96		
Net	(331,701.89)	(1,034,985.10)		