

Great Falls Development Authority, Inc.
Financial Report
February 28, 2017

Page 1 – Statement of Financial Position:

Net assets increased \$1,337,635 during the eight months ended February 28, 2017 primarily because of \$495,000 in grants from the CDFI Fund, a total of \$1,037,366 in grants drawn under the EPA revolving loan fund grant and \$90,000 in CDBG grants all offset by other net expenses in the amount of \$242,483.

During February, GFDA received \$40,000 from the City of Great Falls for GFDA's CDBG revolving loan program.

Cash restricted for loans and grants decreased \$1,314,882 during the eight-month period. Total loans to third parties closed during the eight months amounted to \$3,914,318. Two loans totaling \$750,131 related to the West Bank development project were closed during February.

Loans to Dimitri's LLC in the total amount of \$179,435 were charged to the Allowance for Doubtful Loans during December and the Allowance for Doubtful Loans was increased by \$130,035 with a corresponding charge to expenses.

During November GFDA drew \$42,248 under its award from the EPA to fund a grant to the Charles M. Russell Museum. The grant to the Museum is reflected as an expense at February 28, but was unpaid as of that date.

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

Private support and sponsorship revenues totaled \$326,435 for the eight months, an increase of \$31,412 over the same period last fiscal year.

Page 3 – Statement of Revenues and Expenses:

This statement segregates GFDA's lending activities, AgriTech Park, and the EPA Assessment and EDA Manufacturing grants from its other activities.

The right-hand column reflects revenues and expenses for the previous fiscal year.

Page 4 – Statement of Revenues and Expenses by Month:

This statement reflects GFDA's revenues and expenses on a monthly basis for each of the last six months.

Significant revenues during February include the grant referred to above and loan origination fees.

Significant expenses incurred during February include severance pay, memberships and dues, professional fees, travel, interest and real estate taxes.

Page 5 – Comparison with “Operating” Budget

This statement compares GFDA’s actual results through February with a prorated budget amount for the “Operating” portion of GFDA’s budget.

The total budget amount has been prorated primarily by using time (8 of 12 months), with exceptions for the CDFI, Ag Development, EPA and EDA grants and grant expenses. TIF District reimbursements and expenses are not reflected on the budget comparison.

Total revenues through February were approximately \$138,000 more than the prorated budget amount with the most significant under budget items being Management Fees and Interest Income. Total expenses were approximately \$2,700 less than the prorated budget amount with significant over budget line items including insurance, professional fees, office supplies and real estate taxes.

Page 6 – Comparison with “Non-Operating” Budget

This statement compares GFDA’s actual results through February with a prorated budget amount for the “Non-Operating” portion of GFDA’s budget.

Page 7 – Statement of Cash Flows:

This statement reflects GFDA’s sources and uses of cash for the eight months ended February 28 and for each of the three months in the period ended February 28.

Page 8 – Accounts Receivable, Accounts Payable, Accrued Liabilities and Professional Fees

This page lists GFDA’s receivables, payables and accrued liabilities at February 28, 2017 and Professional Fee expenses recognized through February 28.

Pages 9 and 10 – AgriTech Park

Page 9 reflects activities with respect to the AgriTech Park for the eight months ended February 28. Net expenses pertaining to the Park totaled \$236,060.

Page 10 reflects all activities with respect to the AgriTech Park from inception through February 28, 2017. Unrecovered costs on the project totaled \$595,260 exclusive of in-kind engineering fees in the amount of \$16,514.

Great Falls Development Authority, Inc.
Statement of Financial Position
February 28, 2017 and June 30, 2016

	<u>February 28,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>
Current Assets		
Cash and Cash Equivalents	\$ 255,230	\$ 1,440,526
Cash Restricted For Loans and Grants	723,056	2,037,928
Accounts Receivable	57,718	247,205
Accrued Interest Receivable	41,399	22,792
Current Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$19,000)	313,607	420,267
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Total Current Assets	1,391,010	4,168,718
Office Furniture and Equipment - Net	15,946	13,913
Noncurrent Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$311,600)	8,800,703	5,132,971
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Total Assets	\$ 10,207,659	\$ 9,315,602
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Current Liabilities		
Accounts Payable	\$ 137,528	\$ 252,413
Accrued Liabilities	147,430	130,374
Current Portion of Notes Payable	43,815	63,126
Due To High Plains Financial, Inc.	10,915	9,964
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Total Current Liabilities	339,688	455,877
Noncurrent Notes Payable		
First Interstate Bank Loan	12,755	342,144
MDOC - Microloan Note Payable	500,000	500,000
CDFI - Enterprise Fund	250,000	250,000
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Total Noncurrent Liabilities	762,755	1,092,144
Net Assets		
Beginning of Year	7,767,581	6,925,809
Increase in Net Assets - Current Year	1,337,635	841,772
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Total Net Assets	9,105,216	7,767,581
Total Liabilities and Net Assets	\$ 10,207,659	\$ 9,315,602
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Great Falls Development Authority, Inc.
Statement of Activities and Changes in Net Assets
For The Eight Months Ended February 28, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenues				
Private Support	\$ 315,435	\$ -	\$ -	\$ 315,435
Sponsorships	11,000			11,000
Public Support	50,000	-		50,000
Total Support	376,435	-	-	376,435
Grants	495,000	1,251,045	90,000	1,836,045
Contracts and Program Revenues	-	62,510	-	62,510
Interest	38	231,714	-	231,752
Sale of AgriTech Lots - Net of Cost		-	-	0
Fees and Miscellaneous Income	457,409	833	-	458,242
Total Support and Revenues	1,328,882	1,546,102	90,000	2,964,984
Net Assets Released				
From Restrictions	549,268	(549,268)	-	-
Total Support, Revenues and Reclassifications	1,878,150	996,834	90,000	2,964,984
Expenses				
Strategic Priorities				
Business Attraction and Expansion	108,178	-	-	108,178
Great Falls AgriTech Park	582,152	-	-	582,152
Business Technical Assistance	139,919	-	-	139,919
Fundraising	18,300	-	-	18,300
Grants	237,954	-	-	237,954
Lending and Finance	440,015	-	-	440,015
Management and General	100,831	-	-	100,831
Total Expenses	1,627,349	-	-	1,627,349
Change in Net Assets	250,801	996,834	90,000	1,337,635
Revolving Loan Fund Expenses In Excess of Earnings	137,507	(10,390)	(127,117)	
Net Assets, July 1, 2016	1,118,642	2,032,753	4,616,186	7,767,581
Net Assets, February 28, 2017	\$ 1,506,950	\$ 3,019,197	\$ 4,579,069	\$ 9,105,216

Great Falls Development Authority, Inc.
Statement of Revenues and Expenses
For the Eight Months Ended February 28,, 2017 and 2016

	Lending Activities	AgriTech	EDA Manu. & EPA Assess.	All Other Activities	8 Months Ended 2-28-17	8 Months Ended 2-28-16
Private Support	\$	\$	\$	\$ 315,435	\$ 315,435	\$ 285,023
Sponsorships				11,000	11,000	10,000
Public Support				50,000	50,000	50,000
Support Collected				376,435	376,435	345,023
Program Revenues				62,510	62,510	66,252
Grants	1,622,366		164,240	49,439	1,836,045	87,564
Management	14,891			7,443	22,334	33,690
Interest	231,714		1	37	231,752	289,281
Sale of AgriTech Lots - Net of Cost					0	419,412
TIF Reimbursements		346,091			346,091	813,095
Miscellaneous Income	833			88,984	89,817	3,550
Total Income	1,869,804	346,091	164,241	584,848	2,964,984	2,057,867
Operating Expenses:						
Salaries and Wages	140,196	83,553	46,040	148,109	417,898	406,467
Payroll Expenses	38,735	21,983	12,831	36,807	110,356	100,538
Rent				27,372	27,372	27,372
Memberships and Dues				26,090	26,090	30,689
Advertising						
Conference and Trade Shows				15,878	15,878	2,649
Printing & Reproduction				418	418	258
Web Site Maintenance & Expense				479	479	832
Marketing Materials				1,399	1,399	3,683
Other Advertising		3,374		1,602	4,976	14,596
Auto Expense				6,480	6,480	5,670
Depreciation				5,003	5,003	4,761
Insurance				18,914	18,914	18,383
Meeting Expenses				8,831	8,831	1,632
Professional Fees						
AgriTech Park		12,113			12,113	37,151
EDA Manufacturing Grant					0	19,000
TIF Infrastructure		346,091			346,091	813,095
Ag Development Grant Expenses				39,600	39,600	9,900
EPA Assessment Grant			127,319		127,319	10,573
Other	11,982			47,935	59,917	44,500
Grants	42,248				42,248	17,473
Office Supplies, Computing & Copying				19,862	19,862	20,564
Postage				677	677	461
Professional Training				24,807	24,807	29,968
Publications				7,983	7,983	6,081
Other	896	118		5,246	6,260	6,283
Real Estate Taxes		44,312			44,312	35,423
Telephone				10,669	10,669	10,720
Travel	9		2,325	34,316	36,650	16,602
Allowance For Loan Losses	130,035				130,035	-
Loan Servicing Fees	1,300				1,300	2,019
Interest	14,989	53,260		5,163	73,412	38,960
Expense Allocation	59,625	17,348		(76,973)		
Total Expenses	440,015	582,152	188,515	416,667	1,627,349	1,736,303
	\$ 1,429,789	\$ (236,061)	\$ (24,274)	\$ 168,181	\$ 1,337,635	\$ 321,564

Great Falls Development Authority, Inc.
Statement of Revenues and Expenses
By Month For Each of the Six Months Ended February 28, 2017

	February	January	December	November	October	September
Private Support	\$ 36,720	\$ 44,220	\$ 76,095	\$ 8,270	\$ 57,270	\$ 40,895
Sponsorships						500
Public Support						
Support Collected	36,720	44,220	76,095	8,270	57,270	41,395
Program Revenues	5,898	6,878	9,853	7,479	7,888	9,586
Grants	48,293	1,110,932	3,675	46,503	11,112	129,308
Management	914	1,386	1,923	2,192	5,567	4,204
Interest	37,480	39,940	35,152	31,903	21,329	21,416
TIF District Reimbursement	258,045	1,148	5,179		1,086	52,757
Sale of AgriTech Lots - Net of Cost						
Miscellaneous Income	15,403	2,952	21,978	40,179	1,596	368
Total Income	402,753	1,207,456	153,855	136,526	105,848	259,034
Operating Expenses:						
Salaries and Wages	56,326	50,037	46,881	48,406	51,357	62,365
Payroll Expenses	14,549	14,752	12,499	12,295	14,964	15,725
Rent	3,422	3,421	3,422	3,421	3,422	3,421
Memberships and Dues	6,741	(4,680)	1,730	3,378	8,985	8,794
Advertising						
Conference and Trade Shows	1,435	250	1,435	590	2,304	250
Printing & Reproduction					94	
Web Site Maintenance & Expense	60	60	59	60	60	60
Marketing Materials	233		64	912		190
Other Advertising	0	2,535	52	71		47
Auto Expense	810	810	810	810	810	810
Depreciation	697	709	580	580	580	580
Insurance	0	669		8,340	7,524	0
Meeting Expenses	423	2,572	135	56	319	1,745
Professional Fees						
AgriTech Park	940	5,745		176	3,073	487
AgriTech Park - TIF	258,045	1,148	5,179		1,086	52,757
EDA Manufacturing Grant						
Ag Developmnet Grant						
EPA Assessment Grant	4,723	11,685	2,396		507	70,595
Other	11,333	23,718	2,779	5,935	1,603	8,525
Grants	0			42,248		
Office Supplies, Computing & Copying	984	3,223	3,267	1,286	2,980	1,281
Postage	295	41	38	133	38	52
Professional Training	2,666	1,080	2,891	13	7,387	4,438
Publications	686	1,008	256	2,055	716	1,643
Other	592	2,407	2,260	148	130	151
Real Estate Taxes	5,360	5,360	5,360	7,752	5,120	5,120
Telephone	1,543	1,182	1,277	1,246	1,249	1,254
Travel	7,075	1,568	2,446	5,211	4,607	2,182
Allowance For Loan Losses	0		130,035			
Loan Servicing Fees	0	3	204	210	220	211
Interest	8,418	8,949	9,213	8,908	9,042	8,830
Total Expenses	387,356	138,252	235,268	154,240	128,177	251,513
	\$ 15,397	\$ 1,069,204	\$ (81,413)	\$ (17,714)	\$ (22,329)	\$ 7,521

Great Falls Development Authority, Inc.
 Comparison With 2016-17 "Operating" Budget
 Through the Eight Months Ended February 28, 2017

	Total Through 2-28-17	Operating Budget		Over (Under) Budget
		Total	Prorated Thru 2-28-17	
Private Support	\$ 315,435	\$ 475,000	\$ 316,667	\$ (1,232)
Sponsorships	11,000	11,000	7,333	3,667
Public Support	50,000	50,000	50,000	
Support Collected	376,435	536,000	374,000	2,435
Program Revenues	62,510	95,368	63,579	(1,069)
Management	14,891	55,800	37,200	(22,309)
Grant Management	7,443	5,000	3,333	4,110
Ag Development Grant	39,600	39,600	39,600	
CDFI Grant	495,000	495,000	495,000	
EPA Assessment Grant	138,396	289,436	138,396	
EPA RLF Grant	1,037,366	873,000	873,000	164,366
EDA Manufacturing Grant	25,844	25,844	25,844	
Other Grants	9,839	17,500	11,667	(1,828)
Interest	231,752	404,900	269,933	(38,181)
Miscellaneous Income	89,817	87,600	58,400	31,417
Sale of AgriTech Lots - Net of Costs				
Total Income	2,528,893	2,925,048	2,389,952	138,941
Operating Expenses:				
Salaries and Wages	417,898	627,637	418,425	(527)
Payroll Expenses	110,356	172,296	114,864	(4,508)
Rent	27,372	42,000	28,000	(628)
Memberships and Dues	26,090	35,500	23,667	2,423
Advertising				
Conference and Trade Shows	15,878	20,000	13,333	2,545
Printing & Reproduction	418	2,000	1,333	(915)
Web Site Maintenance & Expense	479	2,200	1,467	(988)
Marketing Materials	1,399			1,399
Other Advertising	4,976	25,000	16,667	(11,691)
Auto Expense	6,480	9,720	6,480	
Depreciation	5,003	7,100	4,733	270
Insurance	18,914	18,000	12,000	6,914
Meeting Expenses	8,831	16,000	10,667	(1,836)
Professional Fees				
AgriTech Park	12,113	25,000	16,667	(4,554)
EPA Assessment Grant	127,319	270,000	127,319	
EPA RLF Grant		173,000	0	
Ag Development Grant Expenses	39,600	39,600	39,600	
Other	59,917	80,500	53,667	6,250
Grants	42,248	42,300	42,248	
Office Supplies, Computing & Copying	19,862	27,000	18,000	1,862
Postage	677	1,000	667	10
Professional Training	24,807	41,200	27,467	(2,660)
Publications	7,983	7,000	4,667	3,316
Other	6,260	10,000	6,667	(407)
Real Estate Taxes	44,312	61,440	40,960	3,352
Telephone	10,669	16,800	11,200	(531)
Travel	36,650	60,000	40,000	(3,350)
Allowance For Loan Losses	130,035	130,000	130,000	35
Loan Servicing Fees	1,300	2,500	1,667	(367)
Interest	73,412	106,500	71,000	2,412
Operating Expenses	1,281,258	2,071,293	1,283,429	(2,171)
	\$ 1,247,635	\$ 853,755	\$ 1,106,523	\$ 141,112

Great Falls Development Authority, Inc.
 Comparison With 2016-17 "Non-Operating" Budget
 Through the Eight Months Ended February 28, 2017

	<u>Total Through 2-28-17</u>	<u>Total Non-Operating Budget</u>	<u>Over (Under) Budget</u>
Grants			
CDBG Grant	\$ 90,000	\$ 90,000	\$
Total Grant Income	<u>90,000</u>	<u>90,000</u>	
Total Expenses	<u>0</u>	<u>0</u>	
	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$</u>

Great Falls Development Authority, Inc.
Statement of Cash Flows

	<u>8 Months Ended 2-28-17</u>	<u>Month Ended 2-28-17</u>	<u>Month Ended 1-31-17</u>	<u>Month Ended 12-31-16</u>
Cash Flows From Operating Activities:				
Change in Net Assets	\$ 1,337,635	\$ 25,397	\$ 1,069,204	\$ (81,413)
Adjustments To Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:				
Depreciation	5,003	697	709	580
Increase (Decrease) in Loan Loss Reserves	130,035			130,035
(Increase) Decrease in Operating Assets:				
Accounts Receivable	189,487	752	(263)	(688)
Accrued Interest Receivable	(18,607)	2,443	(6,087)	(1,706)
Increase (Decrease) in Operating Liabilities:				
Accounts Payable	(114,885)	(32,413)	26,336	(10,767)
Accrued Liabilities	17,056	11,784	3,648	(24,765)
Due To High Plains Financial, Inc.	951	(452)	203	6,302
 Net Cash Provided (Used) By Operating Activities	 1,546,675	 8,208	 1,093,750	 17,578
 Cash Flows From Investing Activities:				
Principal Payments Received on Notes Receivable	223,210	41,309	25,228	25,901
Loans Made To Third Parties	(3,914,318)	(750,131)		(1,328,887)
Purchase of Office Equipment & Furniture	(7,035)		(2,800)	
 Net Cash Provided (Used) By Investing Activities	 (3,698,143)	 (708,822)	 22,428	 (1,302,986)
 Cash Flows From Financing Activities:				
Loan Proceeds				
Principal Payments Made on Term Loans	(348,700)	(3,545)	(3,547)	(3,515)
(Increase) Decrease in Cash Restricted For Loans and Grants	1,314,872	671,005	(1,017,136)	281,561
 Net Cash Provided (Used) By Financing Activities	 966,172	 667,460	 (1,020,683)	 278,046
 Net Increase (Decrease) in Cash	 (1,185,296)	 (33,154)	 95,495	 (1,007,362)
 Unrestricted Cash, Beginning	 1,440,526	 288,384	 192,889	 1,200,251
 Unrestricted Cash, Month End	 \$ 255,230	 \$ 255,230	 \$ 288,384	 \$ 192,889

Great Falls Development Authority, Inc.
Accounts Receivable, Accounts Payable, Accrued Liabilities and Professional Fees
February 28, 2017

	<u>Receivables</u>
PTAC Program	7,312
SBDC Program	10,032
City of Great Falls - BSTF Management	24,381
EPA Assessment Grant	1,816
Specialty Crop Block Grant	1,855
TIF Reimbursement	12,272
Miscellaneous	50
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	57,718
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	<u>Payables</u>
Charles M Russell Museum - EPA Grant	42,248
Church, Harris, Johnson & Williams	3,285
Dell Business Credit	13,432
Douglas Wilson & Co.	16,962
Falcon, Lester & Schaff, P.C.	23,285
GIS Planning	5,000
Great Falls Chamber of Commerce	5,000
Wells Fargo - Credit Cards	18,609
TD&H Engineering	2,800
Other Accounts Payable	6,907
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	137,528
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	<u>Accrued Liabilities</u>
Interest	8,175
Real Estate Taxes	42,876
State Tribal Economic Development (SSBCI)	38,055
Payroll (Paid After Month-End)	31,228
Paid Time Off, Etc.	27,096
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	147,430
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	<u>Professional Fees</u>
Accounting Fees	11,745
Audit and Tax Return Preparation Fees	16,962
AgriTech Park	12,113
TIF Infrastructure	346,091
EPA Assessment Grant	127,319
Ag Development Grant	39,600
Other Professional Fees	31,210
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	585,040
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Great Falls Development Authority, Inc.

AgriTech Park

July 1, 2016 Through February 28, 2017

	<u>BSTF</u>	<u>GTA</u>	<u>HUD #2 (f/k/a Rail Spur Sewer Main)</u>	<u>HUD #4</u>	<u>TIF District</u>	<u>GFDA All Other</u>	<u>Total</u>
Cascade County							0.00
Grant Income							0.00
Sale of Lots - Net of Option							0.00
TIF District Reimbursement					346,091.47		346,091.47
In Kind Contributions							0.00
Total Income	0.00	0.00	0.00	0.00	346,091.47	0.00	346,091.47
Engineering						2,800.00	2,800.00
Engineering - TIF District					346,091.47		346,091.47
Construction							0.00
Consulting & Other							0.00
Legal						9,313.00	9,313.00
Grants Awarded							0.00
Rail Crossing							0.00
Engineering - In-Kind							0.00
Appraisal, etc.							0.00
Application Fees							0.00
Salaries						83,552.63	83,552.63
Payroll Expenses						21,983.34	21,983.34
Advertising						3,374.40	3,374.40
Other Expenses						117.10	117.10
Travel							0.00
Real Estate Taxes						44,312.00	44,312.00
Interest						53,260.27	53,260.27
Admin Allocation						17,347.47	17,347.47
Total Expenses	0.00	0.00	0.00	0.00	346,091.47	236,060.21	582,151.68
Net	0.00	0.00	0.00	0.00	0.00	(236,060.21)	(236,060.21)

Great Falls Development Authority, Inc.
AgriTech Park

From Inception Through February 28, 2017

	BSTF	GTA	HUD #2 (f/k/a Rail Spur (Sewer Main)	HUD #4	TIF District	GFDA All Other	Total	Collected and/or Paid	Receivable and/or Payable
Cascade County	25,000.00						25,000.00	25,000.00	
Grant Income	25,000.00	50,000.00	326,600.00	370,000.00		0.00	771,600.00	771,600.00	
Sale of Lots - Net of Option						730,620.24	730,620.24	730,620.24	
TIF District Reimbursement					2,355,555.18		2,355,555.18	2,343,282.92	12,272.26
In Kind Contributions						3,675.00	3,675.00	3,675.00	
Total Income	50,000.00	50,000.00	326,600.00	370,000.00	2,355,555.18	734,295.24	3,886,450.42	3,874,178.16	12,272.26
Engineering	50,000.00	50,000.00		20,254.60		173,653.28	293,907.88	291,107.88	2,800.00
Engineering - TIF District					2,354,558.10		2,354,558.10	2,354,558.10	
Construction			331,130.50	348,981.75			680,112.25	680,112.25	
Consulting & Other						6,855.00	6,855.00	6,855.00	
Legal						191,757.95	191,757.95	165,364.11	26,393.84
Grants Awarded						56,378.00	56,378.00	56,378.00	
Rail Crossing						4,000.00	4,000.00	4,000.00	
Engineering - In-Kind						16,513.79	16,513.79	16,513.79	
Appraisal, etc.						2,075.00	2,075.00	2,075.00	
Application Fees						4,128.00	4,128.00	4,128.00	
Salaries				4,629.35		372,532.34	377,161.69	377,161.69	
Payroll Expenses				1,226.25		91,675.37	92,901.62	92,901.62	
Advertising				183.00	997.08	6,433.41	7,613.49	7,613.49	
Other Expenses						3,793.68	3,793.68	3,793.68	
Travel						148.58	148.58	148.58	
Real Estate Taxes						226,291.64	226,291.64	183,415.68	42,875.96
Interest						91,725.99	91,725.99	85,589.01	6,136.98
Admin Allocation				2,034.40		86,267.58	88,301.98	88,301.98	
Total Expenses	50,000.00	50,000.00	331,130.50	377,309.35	2,355,555.18	1,334,229.61	4,498,224.64	4,420,017.86	78,206.78
Net	0.00	0.00	(4,530.50)	(7,309.35)	0.00	(599,934.37)	(611,774.22)		