

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

Page 1 – Statement of Financial Position:

Net assets increased \$1,344,113 during the nine months ended March 31, 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, \$90,000 in CDBG grants and a \$52,500 grant under the Montana SSBCI Program all offset by other net expenses in the amount of \$287,455.

During March, GFDA received \$52,500 from the Montana SSBCI Program for GFDA's revolving loan program.

Cash restricted for loans and grants decreased \$1,348,129 during the nine-month period. Total loans to third parties closed during the nine months amounted to \$4,011,110. A loan in the amount of \$96,792 related to the West Bank development project was closed during March.

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 March 31, but was unpaid as of that date.

GFDA borrowed \$70,000 under its loan agreement with First Interstate Bank during March. The loan is payable on January 30, 2018.

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

Private support and sponsorship revenues totaled \$334,330 for the nine months, an increase of \$30,037 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 March include the SSBCI grant referred to above and interest income.

Significant expenses incurred during March include meeting expenses related to the Fire Within, 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 March with a prorated budget amount for the “Operating” portion of GFDA’s budget.

The total budget amount has been prorated primarily by using time (9 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 March were approximately \$160,000 more than the prorated budget amount with the most significant under budget items being Private Support, Management Fees and Interest Income. Total expenses were approximately \$7,800 less than the prorated budget amount with significant over budget line items including memberships and dues, insurance, professional fees, publications and real estate taxes.

Page 6 – Comparison with “Non-Operating” Budget

This statement compares GFDA’s actual results through March 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 nine months ended March 31 and for each of the three months in the period ended March 31.

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

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

Pages 9 and 10 – AgriTech Park

Page 9 reflects activities with respect to the AgriTech Park for the nine months ended March 31. Net expenses pertaining to the Park totaled \$265,089.

Page 10 reflects all activities with respect to the AgriTech Park from inception through March 31, 2017. Unrecovered costs on the project totaled \$624,289 exclusive of in-kind engineering fees in the amount of \$16,514.

Great Falls Development Authority, Inc.
Statement of Financial Position
March 31, 2017 and June 30, 2016

	<u>March 31,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>
Current Assets		
Cash and Cash Equivalents	\$ 304,238	\$ 1,440,526
Cash Restricted For Loans and Grants	689,799	2,037,928
Accounts Receivable	48,246	247,205
Accrued Interest Receivable	46,003	22,792
Current Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$19,000)	311,569	420,267
	<hr/>	<hr/>
Total Current Assets	1,399,855	4,168,718
Office Furniture and Equipment - Net	15,326	13,913
Noncurrent Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$311,600)	8,833,247	5,132,971
	<hr/>	<hr/>
Total Assets	\$ 10,248,428	\$ 9,315,602
	<hr/> <hr/>	<hr/> <hr/>
Current Liabilities		
Accounts Payable	\$ 108,620	\$ 252,413
Accrued Liabilities	148,249	130,374
Current Portion of Notes Payable	113,980	63,126
Due To High Plains Financial, Inc.	6,878	9,964
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Total Current Liabilities	377,727	455,877
Noncurrent Notes Payable		
First Interstate Bank Loan	9,007	342,144
MDOC - Microloan Note Payable	500,000	500,000
CDFI - Enterprise Fund	250,000	250,000
	<hr/>	<hr/>
Total Noncurrent Liabilities	759,007	1,092,144
	<hr/>	<hr/>
Net Assets		
Beginning of Year	7,767,581	6,925,809
Increase in Net Assets - Current Year	1,344,113	841,772
	<hr/>	<hr/>
Total Net Assets	9,111,694	7,767,581
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Total Liabilities and Net Assets	\$ 10,248,428	\$ 9,315,602
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Great Falls Development Authority, Inc.
Statement of Activities and Changes in Net Assets
For The Nine Months Ended March 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenues				
Private Support	\$ 322,930	\$ -	\$ -	\$ 322,930
Sponsorships	11,400			11,400
Public Support	50,000	-		50,000
Total Support	384,330	-	-	384,330
Grants	495,000	1,309,839	90,000	1,894,839
Contracts and Program Revenues	-	69,751	-	69,751
Interest	39	273,432	-	273,471
Sale of AgriTech Lots - Net of Cost		-	-	0
Fees and Miscellaneous Income	463,608	950	-	464,558
Total Support and Revenues	1,342,977	1,653,972	90,000	3,086,949
Net Assets Released From Restrictions	657,926	(657,926)	-	-
Total Support, Revenues and Reclassifications	2,000,903	996,046	90,000	3,086,949
Expenses				
Strategic Priorities				
Business Attraction and Expansion	124,296	-	-	124,296
Great Falls AgriTech Park	611,527	-	-	611,527
Business Technical Assistance	154,307	-	-	154,307
Fundraising	18,300	-	-	18,300
Grants	244,248	-	-	244,248
Lending and Finance	482,090	-	-	482,090
Management and General	108,068	-	-	108,068
Total Expenses	1,742,836	-	-	1,742,836
Change in Net Assets	258,067	996,046	90,000	1,344,113
Revolving Loan Fund Expenses In Excess of Earnings	83,141	43,880	(127,021)	
Net Assets, July 1, 2016	1,118,642	2,032,753	4,616,186	7,767,581
Net Assets, March 31, 2017	\$ 1,459,850	\$ 3,072,679	\$ 4,579,165	\$ 9,111,694

Great Falls Development Authority, Inc.
Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2017 and 2016

	Lending Activities	AgriTech	EDA Manu. & EPA Assess.	All Other Activities	9 Months Ended 3-31-17	9 Months Ended 3-31-16
Private Support	\$	\$	\$	\$ 322,930	\$ 322,930	\$ 294,293
Sponsorships				11,400	11,400	10,000
Public Support				50,000	50,000	50,000
Support Collected				384,330	384,330	354,293
Program Revenues				73,376	73,376	73,370
Grants	1,674,866		168,823	51,150	1,894,839	95,119
Management	18,928			7,758	26,686	37,787
Interest	273,432		1	38	273,471	325,648
Sale of AgriTech Lots - Net of Cost					0	419,412
TIF Reimbursements		346,438			346,438	1,637,397
Miscellaneous Income	950			86,859	87,809	7,658
Total Income	1,968,176	346,438	168,824	603,511	3,086,949	2,950,684
Operating Expenses:						
Salaries and Wages	157,983	92,271	46,999	166,507	463,760	452,496
Payroll Expenses	44,281	24,702	13,130	43,583	125,696	113,653
Rent				30,793	30,793	30,793
Memberships and Dues				29,716	29,716	31,553
Advertising						
Conference and Trade Shows				15,878	15,878	2,649
Printing & Reproduction				418	418	335
Web Site Maintenance & Expense				539	539	892
Marketing Materials				2,720	2,720	3,683
Other Advertising		3,374		1,602	4,976	14,596
Auto Expense				7,290	7,290	6,480
Depreciation				5,623	5,623	5,356
Insurance				18,914	18,914	18,383
Meeting Expenses				14,017	14,017	2,035
Professional Fees						
AgriTech Park		16,069			16,069	37,561
EDA Manufacturing Grant					0	19,000
TIF Infrastructure		346,438			346,438	1,637,397
Ag Development Grant Expenses				39,600	39,600	9,900
EPA Assessment Grant			130,071		130,071	10,573
Other	14,760			49,830	64,590	49,612
Grants	43,298				43,298	17,473
Office Supplies, Computing & Copying			85	21,024	21,109	21,614
Postage				725	725	556
Professional Training				25,580	25,580	30,722
Publications				8,363	8,363	6,206
Other	1,008	149		5,281	6,438	7,470
Real Estate Taxes		49,672			49,672	40,543
Telephone				12,003	12,003	11,944
Travel	9		2,813	41,702	44,524	21,110
Allowance For Loan Losses	130,035				130,035	-
Loan Servicing Fees	1,300				1,300	2,246
Interest	16,881	60,055		5,745	82,681	47,654
Expense Allocation	72,535	18,797		(91,332)		
Total Expenses	482,090	611,527	193,098	456,121	1,742,836	2,654,485
	\$ 1,486,086	\$ (265,089)	\$ (24,274)	\$ 147,390	\$ 1,344,113	\$ 296,199

Great Falls Development Authority, Inc.
Statement of Revenues and Expenses
By Month For Each of the Six Months Ended March 31, 2017

	March	February	January	December	November	October
Private Support	\$ 7,495	\$ 36,720	\$ 44,220	\$ 76,095	\$ 8,270	\$ 57,270
Sponsorships	400	10,000				
Public Support						
Support Collected	7,895	46,720	44,220	76,095	8,270	57,270
Program Revenues	10,866	5,898	6,878	9,853	7,479	7,888
Grants	58,794	48,293	1,110,932	3,675	46,503	11,112
Management	4,352	914	1,386	1,923	2,192	5,567
Interest	41,719	37,480	39,940	35,152	31,903	21,329
TIF District Reimbursement	347	258,045	1,148	5,179		1,086
Sale of AgriTech Lots - Net of Cost						
Miscellaneous Income	(2,008)	15,403	2,952	21,978	40,179	1,596
Total Income	121,965	412,753	1,207,456	153,855	136,526	105,848
Operating Expenses:						
Salaries and Wages	45,862	56,326	50,037	46,881	48,406	51,357
Payroll Expenses	15,340	14,549	14,752	12,499	12,295	14,964
Rent	3,421	3,422	3,421	3,422	3,421	3,422
Memberships and Dues	3,626	6,741	(4,680)	1,730	3,378	8,985
Advertising						
Conference and Trade Shows	0	1,435	250	1,435	590	2,304
Printing & Reproduction	0					94
Web Site Maintenance & Expense	60	60	60	59	60	60
Marketing Materials	1,321	233		64	912	
Other Advertising	0		2,535	52	71	
Auto Expense	810	810	810	810	810	810
Depreciation	620	697	709	580	580	580
Insurance	0		669		8,340	7,524
Meeting Expenses	5,186	423	2,572	135	56	319
Professional Fees	0					
AgriTech Park	3,956	940	5,745		176	3,073
AgriTech Park - TIF	347	258,045	1,148	5,179		1,086
EDA Manufacturing Grant	0					
Ag Developmnet Grant	0					
EPA Assessment Grant	2,752	4,723	11,685	2,396		507
Other	4,673	11,333	23,718	2,779	5,935	1,603
Grants	1,050				42,248	
Office Supplies, Computing & Copying	1,247	984	3,223	3,267	1,286	2,980
Postage	48	295	41	38	133	38
Professional Training	773	2,666	1,080	2,891	13	7,387
Publications	380	686	1,008	256	2,055	716
Other	178	592	2,407	2,260	148	130
Real Estate Taxes	5,360	5,360	5,360	5,360	7,752	5,120
Telephone	1,334	1,543	1,182	1,277	1,246	1,249
Travel	7,874	7,075	1,568	2,446	5,211	4,607
Allowance For Loan Losses	0			130,035		
Loan Servicing Fees	0		3	204	210	220
Interest	9,269	8,418	8,949	9,213	8,908	9,042
Total Expenses	115,487	387,356	138,252	235,268	154,240	128,177
	\$ 6,478	\$ 25,397	\$ 1,069,204	\$ (81,413)	\$ (17,714)	\$ (22,329)

Great Falls Development Authority, Inc.
Comparison With 2016-17 "Operating" Budget
Through the Nine Months Ended March 31, 2017

	Total Through 3-31-17	Operating Budget		Over (Under) Budget
		Total	Prorated Thru 3-31-17	
Private Support	\$ 322,930	\$ 475,000	\$ 356,250	\$ (33,320)
Sponsorships	11,400	11,000	8,250	3,150
Public Support	50,000	50,000	50,000	
Support Collected	384,330	536,000	414,500	(30,170)
Program Revenues	73,376	95,368	71,526	1,850
Management	18,928	55,800	41,850	(22,922)
Grant Management	7,758	5,000	3,750	4,008
Ag Development Grant	39,600	39,600	39,600	
SSBCI Grant	52,500			52,500
CDFI Grant	495,000	495,000	495,000	
EPA Assessment Grant	142,979	289,436	142,979	
EPA RLF Grant	1,037,366	873,000	873,000	164,366
EDA Manufacturing Grant	25,844	25,844	25,844	
Other Grants	11,550	17,500	13,125	(1,575)
Interest	273,471	404,900	303,675	(30,204)
Miscellaneous Income	87,809	87,600	65,700	22,109
Sale of AgriTech Lots - Net of Costs				
Total Income	2,650,511	2,925,048	2,490,549	159,962
Operating Expenses:				
Salaries and Wages	463,760	627,637	470,728	(6,968)
Payroll Expenses	125,696	172,296	129,222	(3,526)
Rent	30,793	42,000	31,500	(707)
Memberships and Dues	29,716	35,500	26,625	3,091
Advertising				
Conference and Trade Shows	15,878	20,000	15,000	878
Printing & Reproduction	418	2,000	1,500	(1,082)
Web Site Maintenance & Expense	539	2,200	1,650	(1,111)
Marketing Materials	2,720			2,720
Other Advertising	4,976	25,000	18,750	(13,774)
Auto Expense	7,290	9,720	7,290	
Depreciation	5,623	7,100	5,325	298
Insurance	18,914	18,000	13,500	5,414
Meeting Expenses	14,017	16,000	12,000	2,017
Professional Fees				
AgriTech Park	16,069	25,000	18,750	(2,681)
EPA Assessment Grant	130,071	270,000	130,071	
EPA RLF Grant		173,000		
Ag Development Grant Expenses	39,600	39,600	39,600	
Other	64,590	80,500	60,375	4,215
Grants	43,298	42,300	42,248	1,050
Office Supplies, Computing & Copying	21,109	27,000	20,250	859
Postage	725	1,000	750	(25)
Professional Training	25,580	41,200	30,900	(5,320)
Publications	8,363	7,000	5,250	3,113
Other	6,438	10,000	7,500	(1,062)
Real Estate Taxes	49,672	61,440	46,080	3,592
Telephone	12,003	16,800	12,600	(597)
Travel	44,524	60,000	45,000	(476)
Allowance For Loan Losses	130,035	130,000	130,000	35
Loan Servicing Fees	1,300	2,500	1,875	(575)
Interest	82,681	106,500	79,875	2,806
Operating Expenses	1,396,398	2,071,293	1,404,214	(7,816)
	\$ 1,254,113	\$ 853,755	\$ 1,086,335	\$ 167,778

Great Falls Development Authority, Inc.
 Comparison With 2016-17 "Non-Operating" Budget
 Through the Nine Months Ended March 31, 2017

	<u>Total Through 3-31-17</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

	9 Months Ended 3-31-17	Month Ended 3-31-17	Month Ended 2-28-17	Month Ended 1-31-17
Cash Flows From Operating Activities:				
Change in Net Assets	\$ 1,344,113	\$ 6,478	\$ 25,397	\$ 1,069,204
Adjustments To Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:				
Depreciation	5,623	620	697	709
Increase (Decrease) in Loan Loss Reserves	130,035	0		
(Increase) Decrease in Operating Assets:				
Accounts Receivable	198,959	9,472	752	(263)
Accrued Interest Receivable	(23,211)	(4,604)	2,443	(6,087)
Increase (Decrease) in Operating Liabilities:				
Accounts Payable	(143,794)	(28,909)	(32,413)	26,336
Accrued Liabilities	17,875	819	11,784	3,648
Due To High Plains Financial, Inc.	(3,086)	(4,037)	(452)	203
Net Cash Provided (Used) By Operating Activities	1,526,514	(20,161)	8,208	1,093,750
Cash Flows From Investing Activities:				
Principal Payments Received on Notes Receivable	289,497	66,287	41,309	25,228
Loans Made To Third Parties	(4,011,110)	(96,792)	(750,131)	
Purchase of Office Equipment & Furniture	(7,035)	0		(2,800)
Net Cash Provided (Used) By Investing Activities	(3,728,648)	(30,505)	(708,822)	22,428
Cash Flows From Financing Activities:				
Loan Proceeds	70,000	70,000		
Principal Payments Made on Term Loans	(352,283)	(3,583)	(3,545)	(3,547)
(Increase) Decrease in Cash Restricted For Loans and Grants	1,348,129	33,257	671,005	(1,017,136)
Net Cash Provided (Used) By Financing Activities	1,065,846	99,674	667,460	(1,020,683)
Net Increase (Decrease) in Cash	(1,136,288)	49,008	(33,154)	95,495
Unrestricted Cash, Beginning	1,440,526	255,230	288,384	192,889
Unrestricted Cash, Month End	\$ 304,238	\$ 304,238	\$ 255,230	\$ 288,384

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

	<u>Receivables</u>
PTAC Program	2,225
SBDC Program	5,016
City of Great Falls - BSTF Management	24,696
EPA Assessment Grant	1,830
Specialty Crop Block Grant	1,810
TIF Reimbursement	12,619
Miscellaneous	50
	48,246
	48,246

	<u>Payables</u>
Charles M Russell Museum - EPA Grant	42,248
Church, Harris, Johnson & Williams	2,077
Dell Business Credit	13,122
Falcon, Lester & Schaff, P.C.	17,374
GIS Planning	5,000
Wells Fargo - Credit Cards	12,777
TD&H Engineering	3,146
Other Accounts Payable	12,876
	108,620
	108,620

	<u>Accrued Liabilities</u>
Interest	9,880
Real Estate Taxes	48,236
State Tribal Economic Development (SSBCI)	39,105
Payroll (Paid After Month-End)	22,931
Paid Time Off, Etc.	28,097
	148,249
	148,249

	<u>Professional Fees</u>
Accounting Fees	13,635
Audit and Tax Return Preparation Fees	16,962
AgriTech Park	16,069
TIF Infrastructure	346,438
EPA Assessment Grant	130,071
Ag Development Grant	39,600
Other Professional Fees	33,993
	596,768
	596,768

Great Falls Development Authority, Inc.

AgriTech Park

July 1, 2016 Through March 31, 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					346,437.72		346,437.72
In Kind Contributions							0.00
Total Income	0.00	0.00	0.00	0.00	346,437.72	0.00	346,437.72
Engineering						2,800.00	2,800.00
Engineering - TIF District					346,437.72		346,437.72
Construction							0.00
Consulting & Other							0.00
Legal						13,269.00	13,269.00
Grants Awarded							0.00
Rail Crossing							0.00
Engineering - In-Kind							0.00
Appraisal, etc.							0.00
Application Fees							0.00
Salaries						92,270.92	92,270.92
Payroll Expenses						24,702.36	24,702.36
Advertising						3,374.40	3,374.40
Other Expenses						148.70	148.70
Travel							0.00
Real Estate Taxes						49,672.00	49,672.00
Interest						60,054.79	60,054.79
Admin Allocation						18,796.90	18,796.90
Total Expenses	0.00	0.00	0.00	0.00	346,437.72	265,089.07	611,526.79
Net	0.00	0.00	0.00	0.00	0.00	(265,089.07)	(265,089.07)

Great Falls Development Authority, Inc.
AgriTech Park

From Inception Through March 31, 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 Grant Income	25,000.00						25,000.00	25,000.00	
Sale of Lots - Net of Option	25,000.00	50,000.00	326,600.00	370,000.00		0.00	771,600.00	771,600.00	
TIF District Reimbursement					2,355,901.43	730,620.24	730,620.24	730,620.24	
In Kind Contributions						3,675.00	2,355,901.43	2,343,282.92	12,618.51
							3,675.00	3,675.00	
Total Income	50,000.00	50,000.00	326,600.00	370,000.00	2,355,901.43	734,295.24	3,886,796.67	3,874,178.16	12,618.51
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 Construction					2,354,904.35		2,354,904.35	2,354,558.10	346.25
Consulting & Other			331,130.50	348,981.75		6,855.00	680,112.25	680,112.25	
Legal						6,855.00	6,855.00	6,855.00	
Grants Awarded						195,713.95	195,713.95	176,263.24	19,450.71
Rail Crossing						56,378.00	56,378.00	56,378.00	
Engineering - In-Kind						4,000.00	4,000.00	4,000.00	
Appraisal, etc.						16,513.79	16,513.79	16,513.79	
Application Fees						2,075.00	2,075.00	2,075.00	
Salaries				4,629.35		4,128.00	4,128.00	4,128.00	
Payroll Expenses				1,226.25		381,250.63	385,879.98	385,879.98	
Advertising				183.00	997.08	94,394.39	95,620.64	95,620.64	
Other Expenses						6,433.41	7,613.49	7,613.49	
Travel						3,825.28	3,825.28	3,793.68	
Real Estate Taxes						148.58	148.58	148.58	
Interest						231,651.64	231,651.64	183,415.68	48,235.96
Admin Allocation				2,034.40		98,520.51	98,520.51	91,725.99	6,794.52
						87,717.01	89,751.41	89,751.41	
Total Expenses	50,000.00	50,000.00	331,130.50	377,309.35	2,355,901.43	1,363,258.47	4,527,599.75	4,449,940.71	77,627.44
Net	0.00	0.00	(4,530.50)	(7,309.35)	0.00	(628,963.23)	(640,803.08)		