

Great Falls Development Authority, Inc.  
Financial Report  
March 31, 2018

Page 1 – Statement of Financial Position:

Net assets decreased \$238,639 during the nine months ended March 31, 2018.

During March GFDA drew \$268,627 under its grant with the Environmental Protection Agency. The grant, which is included in income, was used to partially fund a loan in the amount of \$428,942 to West Bank, LLC. GFDA also disbursed four additional loans to West Bank, LLC or its affiliates during March in the total amount of \$512,542. West Bank, LLC paid one of its loans in full during March in the total principal amount of \$105,000.

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 one of the reasons for the decrease in net assets.

Cash restricted for loans and grants decreased \$272,311 during the nine months ended March 31. Eight loans have been closed during the nine-month period in the total amount of \$1,023,456. Principal payments received have totaled \$643,084.

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

Private support and sponsorship revenues totaled \$179,355 for the nine-month period, a decrease of \$154,975 compared to the same period last fiscal year.

Significant expenses incurred during March include \$9,594 for travel, \$13,421 for interest and \$11,832 for professional fees under the EPA Assessment grant.

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

Page 3 is a comparison of 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 grant revenues and expenses. TIF District reimbursements and expenses, if any, are not reflected on the budget comparison.

Total revenues through March were approximately \$156,600 less than the prorated budget amount with the most significant under budget item being Private Support revenues.

Total expenses were approximately \$49,000 less than the prorated budget amount with significant over budget line items including business development, insurance and interest expense.

Page 4 is a comparison of GFDA's actual results through March with a prorated budget amount for the "Non-Operating" portion of GFDA's budget.

The EPA grant referred to above is included in income and was an unbudgeted item.

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

This page lists GFDA's receivables, payables and accrued liabilities at March 31, 2018 and Professional Fee expenses recognized through March 31.

Page 6 – AgriTech Park

This page reflects AgriTech Park revenues and expenses for the nine months ended March 31, 2018 and for the period from inception through March 31, 2018. 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  
March 31, 2018 and June 30, 2017

	<u>March 31,</u> <u>2018</u>	<u>June 30,</u> <u>2017</u>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 174,690	\$ 422,725
Cash Restricted For Loans and Grants	413,579	685,890
Accounts Receivable	53,501	27,855
Accrued Interest Receivable	39,388	40,061
Current Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$19,000)	<u>345,233</u>	<u>354,431</u>
 Total Current Assets	 1,026,391	 1,530,962
 Office Furniture and Equipment - Net	 8,708	 13,466
 Noncurrent Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$495,050)	 <u>9,163,937</u>	 <u>8,774,367</u>
 Total Assets	 <u>\$ 10,199,036</u>	 <u>\$ 10,318,795</u>
 <b>Current Liabilities</b>		
Accounts Payable	\$ 148,252	\$ 120,159
Accrued Liabilities	123,220	95,518
Current Portion of Notes Payable	329,364	108,545
Deferred Grant Revenues	67,403	104,656
Due To High Plains Financial, Inc.	<u>13,127</u>	<u>1,476</u>
 Total Current Liabilities	 681,366	 430,354
 Noncurrent Notes Payable		
First Interstate Bank Loans	417,868	300,000
MDOC - Microloan Note Payable	500,000	500,000
CDFI - Enterprise Fund	<u>-</u>	<u>250,000</u>
 Total Noncurrent Liabilities	 <u>917,868</u>	 <u>1,050,000</u>
 <b>Net Assets</b>		
Beginning of Year	8,838,441	7,767,581
Increase (Decrease) in Net Assets - Current Year	<u>(238,639)</u>	<u>1,070,860</u>
 Total Net Assets	 <u>8,599,802</u>	 <u>8,838,441</u>
 Total Liabilities and Net Assets	 <u>\$ 10,199,036</u>	 <u>\$ 10,318,795</u>

Great Falls Development Authority, Inc.  
Statement of Activities and Changes in Net Assets  
For The Nine Months Ended March 31, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and Revenues</b>				
Private Support	\$ 169,055	\$ -	\$ -	\$ 169,055
Sponsorships	10,300	-	-	10,300
Public Support	50,000	-	-	50,000
Total Support	<u>229,355</u>	-	-	<u>229,355</u>
Grants	-	435,667	-	435,667
Contracts and Program Revenues	-	80,575	-	80,575
Interest	61	371,852	-	371,913
Fees and Miscellaneous Income	53,878	1,091	-	54,969
Total Support and Revenues	<u>283,294</u>	<u>889,185</u>	-	<u>1,172,479</u>
Net Assets Released				
From Restrictions	<u>887,058</u>	<u>(887,058)</u>	-	<u>-</u>
Total Support, Revenues and Reclassifications	<u>1,170,352</u>	<u>2,127</u>	-	<u>1,172,479</u>
<b>Expenses</b>				
Strategic Priorities				
Business Attraction and Expansion	200,715	-	-	200,715
Great Falls AgriTech Park	389,770	-	-	389,770
Business Technical Assistance	163,701	-	-	163,701
Fundraising	-	-	-	-
Grants	150,760	-	-	150,760
Lending and Finance	389,726	-	-	389,726
Management and General	116,446	-	-	116,446
Total Expenses	<u>1,411,118</u>	-	-	<u>1,411,118</u>
Change in Net Assets	(240,766)	2,127	-	(238,639)
Revolving Loan Fund Earnings In Excess of Expenses	(288,450)	273,462	14,988	
Net Assets, July 1, 2017	<u>3,033,071</u>	<u>1,052,954</u>	<u>4,752,416</u>	<u>8,838,441</u>
Net Assets, March 31, 2018	<u>\$ 2,503,855</u>	<u>\$ 1,328,543</u>	<u>\$ 4,767,404</u>	<u>\$ 8,599,802</u>

Great Falls Development Authority, Inc.  
 Comparison With 2017-18 "Operating" Budget  
 Through the Nine Months Ended March 31, 2018

	Total Through 3-31-18	Operating Budget		Over (Under) Budget
		Total	Prorated Thru 3-31-18	
Private Support	\$ 169,055	\$ 475,000	\$ 356,250	\$ (187,195)
Sponsorships	10,300			10,300
Public Support	50,000	50,000	50,000	
Support Collected	229,355	525,000	406,250	(176,895)
Program Revenues	80,575	90,572	67,929	12,646
Management	16,677	30,500	22,875	(6,198)
Grant Management	0	5,000	3,750	(3,750)
MT Food & Ag Development Center	38,344	50,000	38,344	
CDFI Grant		102,975		
EPA Assessment Grant	81,863	92,457	81,863	
EPA RLF Grant	16,281	83,644	16,281	
Other Grants	30,552	38,512	28,884	1,668
Interest	371,913	480,000	360,000	11,913
Miscellaneous Income	31,092	36,100	27,075	4,017
Total Income	896,652	1,534,760	1,053,251	(156,599)
Operating Expenses:				
Salaries and Wages	441,750	620,273	465,205	(23,455)
Payroll Expenses	132,675	194,971	146,228	(13,553)
Rent	31,793	42,000	31,500	293
Memberships and Dues	22,487	40,000	30,000	(7,513)
Business Development	50,570	50,000	37,500	13,070
Auto Expense	7,290	9,720	7,290	
Depreciation	5,733	7,500	5,625	108
Insurance	17,067	20,000	15,000	2,067
Meeting Expenses	8,825	16,000	12,000	(3,175)
Professional Fees				
AgriTech Park	23,896	25,000	18,750	5,146
EPA Assessment Grant	71,293	81,888	71,293	
EPA RLF Grant	1,156	74,492	1,156	
Labor Survey Grant	20,972	21,012	20,972	
MMEC		5,000		
Other	62,341	80,500	60,375	1,966
Yes For Cascade County Jobs	52,276	54,000	52,276	
Office Supplies, Computing & Copying	11,928	27,000	20,250	(8,322)
Postage	680	1,000	750	(70)
Professional Training	26,156	32,000	24,000	2,156
Publications	8,197	9,500	7,125	1,072
Other	12,913	13,245	9,934	2,979
Real Estate Taxes	46,457	80,000	60,000	(13,543)
Telephone	11,708	17,800	13,350	(1,642)
Travel	31,456	59,799	44,849	(13,393)
Allowance For Loan Losses				
Loan Servicing Fees		1,500	1,125	(1,125)
Interest	104,299	128,500	96,375	7,924
Operating Expenses	1,203,918	1,712,700	1,252,928	(49,010)
	\$ (307,266)	\$ (177,940)	\$ (199,677)	\$ (107,589)

Great Falls Development Authority, Inc.  
 Comparison With 2017-18 "Non-Operating" Budget  
 Through the Nine Months Ended March 31, 2018

	<u>Total Through 3-31-18</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)
EPA RLF Grant	268,627		268,627
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Total Grant Income	268,627	623,525	(354,898)
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Move Transmission Line	200,000	200,000	
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Total Expenses	200,000	200,000	
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	\$ 68,627	\$ 423,525	\$ (354,898)
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Great Falls Development Authority, Inc.  
Accounts Receivable, Accounts Payable, Accrued Liabilities and Professional Fees  
March 31, 2018

	<u>Receivables</u>
PTAC Program	6,000
SBDC Program	4,968
City of Great Falls - BSTF Management	1,330
Montana Food & Ag Development Grant	12,500
Specialty Crop Block Grant	7,390
TIF Reimbursement	12,272
AgriTech Park Owner's Association (Real Estate Taxes)	9,041
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	53,501
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	<u>Payables</u>
CM Russell Museum - EPA Grant	11,848
Brett M. Doney	5,315
Church, Harris Johnson & Williams	2,139
160 Smartleads	4,000
Dell Business Credit	11,176
Falcon, Lester & Schaff, P.C.	36,542
GIS Planning	5,000
Great Falls Chamber of Commerce	2,500
Journal Communications, Inc.	7,990
The Boyd Company, Inc.	8,956
TD & H	2,800
US Bank Corporate	3,421
Violet Communications LLC	5,000
Wells Fargo - Credit Cards	34,586
Other Accounts Payable	6,979
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	148,252
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	<u>Accrued Liabilities</u>
Interest	13,311
Real Estate Taxes	47,184
Funds Held in Trust	8,134
Payroll (Paid After Month-End)	25,417
Paid Time Off, Etc.	29,174
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	123,220
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	<u>Professional Fees</u>
Accounting Fees	11,253
Audit Fees	17,344
Various Vendors - EPA RLF	1,979
Dimitir's Collection - Falcon, Lester & Schaff, P.C.	1,147
Friedman Associates	4,750
Labor Survey Grant	20,972
AgriTech Park - Falcon, Lester & Schaff, P.C.	23,896
EPA Assessment Grant	71,293
The Boyd Company, Inc.	13,956
TIF Infrastructure	7,200
Other Professional Fees	13,068
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	186,858
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Great Falls Development Authority, Inc.  
AgriTech Park

	7-1-17 Thru 3-31-18	From Inception Thru 3-31-18	TIF District	
			Paid To Date	Budget
Cascade County		25,000.00	Lots 1 - 6	
Grant Income		812,600.00	Pacific (Loans)	1,998,635.56
Sale of Lots - Net of Option		730,620.24	Pacific	1,851,521.36
TIF District Reimbursement	7,199.69	2,363,793.62	MSM (Loan)	500,000.00
In Kind Contributions		3,675.00	GFDA	212,272.26
<b>Total Income</b>	<b>7,199.69</b>	<b>3,935,688.86</b>	<b>4,562,429.18</b>	<b>5,206,488.00</b>
Engineering		302,408.43		
Engineering - TIF District	7,199.69	2,363,793.62		
Construction		691,934.25		
Consulting & Other		8,099.26	Lots 7-10	0.00
Legal	23,896.38	228,348.66		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	20,326.47	436,980.41		
Payroll Expenses	6,148.10	107,786.00		
Advertising		6,616.41		
Other Expenses	2,083.91	4,875.11		
Travel		164.89		
Real Estate Taxes	46,457.18	294,188.81		
Interest	77,862.22	196,327.93		
Admin Allocation	5,796.45	96,924.21		
<b>Total Expenses</b>	<b>389,770.40</b>	<b>5,021,542.78</b>		
<b>Net</b>	<b>(382,570.71)</b>	<b>(1,085,853.92)</b>		