

Great Falls Development Authority, Inc.
Financial Report
November 30, 2016

Page 1 – Statement of Financial Position:

Net assets increased \$324,447 during the five months ended November 30, 2016 primarily as a result of the \$391,800 grant from the CDFI Fund received in August and the \$50,000 CDBG grant received in September offset by other net expenses in the amount of \$117,353.

Cash restricted for loans and grants decreased \$1,379,442 during the five-month period. Three loans to Great Falls Apartments, Phase II in the total gross amount of \$2,000,000 were closed during November. A participation in one of the loans in the amount of \$250,000 was sold to NeighborWorks during November.

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

Private support and sponsorship revenues totaled \$159,400 for the five months, a decrease of \$41,217 over the same period last fiscal year. During November GFDA drew \$42,248 under its award from the Environmental Protection Agency to fund a grant to the Charles M. Russell Museum. The grant to the Museum is reflected as an expense at November 30, but was unpaid as of that date.

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 November include the EPA Grant referred to above, loan origination fees on the loans to Great Falls Apartments, Phase II and an increase in interest revenues.

Significant expenses incurred during November include insurance, professional fees, memberships and dues, travel, interest, real estate taxes and the grant to the Museum.

Page 5 – Comparison with "Operating" Budget

This statement compares GFDA's actual results through November with a prorated budget amount for the "Operating" portion of GFDA's budget. The budget is a preliminary budget and has not been approved by GFDA's Board of Directors.

The total budget amount has been prorated primarily by using time (5 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 November were approximately \$85,300 less than the prorated budget amount with the most significant under budget items being Private Support Revenues, Management Fees, and Interest Income. Total expenses were approximately \$4,200 more than the prorated budget amount with significant over budget line items including memberships and dues, insurance and fees for conferences and trade shows.

Page 6 – Comparison with “Non-Operating” Budget

This statement compares GFDA’s actual results through November with a prorated budget amount for the “Non-Operating” portion of GFDA’s budget. The budget is a preliminary budget and has not been approved by GFDA’s Board of Directors.

Page 7 – Statement of Cash Flows:

This statement reflects GFDA’s sources and uses of cash for the five months ended November 30 and for each of the three months in the period ended November 30.

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

This page lists GFDA’s receivables, payables and accrued liabilities at November 30, 2016 and Professional Fee expenses recognized through November 30.

Pages 9 and 10 – AgriTech Park

Page 9 reflects activities with respect to the AgriTech Park for the five months ended November 30. Net expenses pertaining to the Park totaled \$149,668.

Page 10 reflects all activities with respect to the AgriTech Park from inception through November 30, 2016. Unrecovered costs on the project totaled \$508,869 exclusive of in-kind engineering fees in the amount of \$16,514.

Great Falls Development Authority, Inc.
Statement of Financial Position
November 30 and June 30, 2016

	<u>,November 39, 2016</u>	<u>June 30, 2016</u>
Current Assets		
Cash and Cash Equivalents	\$ 1,200,251	\$ 1,440,526
Cash Restricted For Loans and Grants	658,486	2,037,928
Accounts Receivable	57,518	247,205
Accrued Interest Receivable	36,049	22,792
Current Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$19,000)	406,061	420,267
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Total Current Assets	2,358,365	4,168,718
Office Furniture and Equipment - Net	15,132	13,913
Noncurrent Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$361,000)	6,851,705	5,132,971
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Total Assets	\$ 9,225,202	\$ 9,315,602
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Current Liabilities		
Accounts Payable	\$ 154,372	\$ 252,413
Accrued Liabilities	156,763	130,374
Current Portion of Notes Payable	43,285	63,126
Due To High Plains Financial, Inc.	4,862	9,964
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Total Current Liabilities	359,282	455,877
Noncurrent Notes Payable		
First Interstate Bank Loan	23,892	342,144
MDOC - Microloan Note Payable	500,000	500,000
CDFI - Enterprise Fund	250,000	250,000
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Total Noncurrent Liabilities	773,892	1,092,144
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Net Assets		
Beginning of Year	7,767,581	6,925,809
Increase (Decrease) in Net Assets - Current Year	324,447	841,772
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Total Net Assets	8,092,028	7,767,581
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Total Liabilities and Net Assets	\$ 9,225,202	\$ 9,315,602
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Great Falls Development Authority, Inc.
Statement of Activities and Changes in Net Assets
For The Five Months Ended November 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenues				
Private Support	\$ 158,400	\$ -	\$ -	\$ 158,400
Sponsorships	1,000			1,000
Public Support	50,000	-	-	50,000
Total Support	209,400	-	-	209,400
Grants	391,800	231,345	50,000	673,145
Contracts and Program Revenues	-	39,881	-	39,881
Interest	37	119,143	-	119,180
Sale of AgriTech Lots - Net of Cost		-	-	0
Fees and Miscellaneous Income	148,956	358	-	149,314
Total Support and Revenues	750,193	390,727	50,000	1,190,920
Net Assets Released From Restrictions	390,546	(390,546)	-	-
Total Support, Revenues and Reclassifications	<u>1,140,739</u>	<u>181</u>	<u>50,000</u>	<u>1,190,920</u>
Expenses				
Strategic Priorities				
Business Attraction and Expansion	33,787	-	-	33,787
Great Falls AgriTech Park	231,387	-	-	231,387
Business Technical Assistance	84,992	-	-	84,992
Fundraising	18,300	-	-	18,300
Grants	213,372	-	-	213,372
Lending and Finance	182,756	-	-	182,756
Management and General	101,879	-	-	101,879
Total Expenses	866,473	-	-	866,473
Change in Net Assets	274,266	181	50,000	324,447
Revolving Loan Fund Expenses In Excess of Earnings	4,651	(4,841)	190	
Net Assets, July 1, 2016	<u>1,118,642</u>	<u>2,032,753</u>	<u>4,616,186</u>	<u>7,767,581</u>
Net Assets, November 30, 2016	<u>\$ 1,397,559</u>	<u>\$ 2,028,093</u>	<u>\$ 4,666,376</u>	<u>\$ 8,092,028</u>

Great Falls Development Authority, Inc.
Statement of Revenues and Expenses
For the Five Months Ended November 30, 2016 and 2015

	Lending Activities	AgriTech	EDA Manu. & EPA Assess.	All Other Activities	Five Months Ended 11-30-16	Five Months Ended 11-30-15
Private Support	\$	\$	\$	\$ 158,400	\$ 158,400	\$ 200,617
Sponsorships				1,000	1,000	-
Public Support				50,000	50,000	50,000
Support Collected				209,400	209,400	250,617
Program Revenues				39,881	39,881	42,580
Grants	484,048		141,766	47,331	673,145	54,902
Management	13,298			4,813	18,111	22,385
Interest	119,143		1	36	119,180	179,986
Sale of AgriTech Lots - Net of Cost					0	419,412
TIF Reimbursements		81,719			81,719	194,055
Miscellaneous Income	358			49,126	49,484	1,015
Total Income	616,847	81,719	141,767	350,587	1,190,920	1,164,952
Operating Expenses:						
Salaries and Wages	81,082	56,998	43,881	82,693	264,654	259,101
Payroll Expenses	21,499	14,257	12,202	20,598	68,556	64,134
Rent				17,107	17,107	17,107
Memberships and Dues				22,299	22,299	25,752
Advertising						
Conference and Trade Shows				12,758	12,758	2,354
Printing & Reproduction				418	418	51
Web Site Maintenance & Expense				300	300	653
Marketing Materials				1,102	1,102	3,683
Other Advertising		839		1,550	2,389	12,986
Auto Expense				4,050	4,050	4,050
Depreciation				3,017	3,017	2,976
Insurance				18,245	18,245	17,727
Meeting Expenses				5,701	5,701	1,126
Professional Fees						
AgriTech Park		5,428			5,428	32,041
EDA Manufacturing Grant					0	19,000
TIF Infrastructure		81,719			81,719	194,055
Ag Development Grant Expenses				39,600	39,600	9,900
EPA Assessment Grant			108,515		108,515	-
Other	969			21,118	22,087	28,877
Grants	42,248				42,248	17,473
Office Supplies, Computing & Copying				12,388	12,388	14,914
Postage				303	303	303
Professional Training				18,170	18,170	24,614
Publications				6,033	6,033	5,302
Other	524	3		474	1,001	3,351
Real Estate Taxes		28,232			28,232	21,735
Telephone				6,667	6,667	6,737
Travel	9		1,443	24,109	25,561	10,157
Allowance For Loan Losses					0	
Loan Servicing Fees	1,093				1,093	1,285
Interest	9,381	33,534		3,917	46,832	21,580
Expense Allocation	25,951	10,377		(36,328)		
Total Expenses	182,756	231,387	166,041	286,289	866,473	823,024
	\$ 434,091	\$ (149,668)	\$ (24,274)	\$ 64,298	\$ 324,447	\$ 341,928

Great Falls Development Authority, Inc.
Statement of Revenues and Expenses
By Month For Each of the Six Months Ended November 30, 2016

	November	October	September	August	July	June
Private Support	\$ 8,270	\$ 57,270	40,895	\$ 23,070	\$ 28,895	\$ 26,867
Sponsorships			500	500		7,460
Public Support				50,000		
Support Collected	8,270	57,270	41,395	73,570	28,895	34,327
Program Revenues	7,479	7,888	9,586	7,821	7,107	7,170
Grants	46,503	11,112	129,308	445,012	41,210	42,328
Management	2,192	5,567	4,204	1,012	5,136	5,168
Interest	31,903	21,329	21,416	22,196	22,336	21,763
TIF District Reimbursement		1,086	52,757	16,320	11,556	165,506
Sale of AgriTech Lots - Net of Cost						
Miscellaneous Income	40,179	1,596	368	4,014	3,327	1,611
Total Income	136,526	105,848	259,034	569,945	119,567	277,873
Operating Expenses:						
Salaries and Wages	48,406	51,357	62,365	51,292	51,234	44,080
Payroll Expenses	12,295	14,964	15,725	13,013	12,559	11,217
Rent	3,421	3,422	3,421	3,422	3,421	3,422
Memberships and Dues	3,378	8,985	8,794	382	760	1,789
Advertising						
Conference and Trade Shows	590	2,304	250	7,914	1,700	2,693
Printing & Reproduction		94		230	94	
Web Site Maintenance & Expense	60	60	60	60	60	60
Marketing Materials	912		190			0
Other Advertising	71		47	2,244	27	99
Auto Expense	810	810	810	810	810	810
Depreciation	580	580	580	675	602	674
Insurance	8,340	7,524	0	514	1,867	
Meeting Expenses	56	319	1,745	2,436	1,145	1,954
Professional Fees						
AgriTech Park	176	3,073	487	1,692		6,163
AgriTech Park - TIF		1,086	52,757	16,320	11,556	165,506
EDA Manufacturing Grant						
Ag Developmnet Grant				39,600		
EPA Assessment Grant		507	70,595	4,569	32,844	32,470
Other	5,935	1,603	8,525	3,822	2,202	4,838
Grants	42,248					
Office Supplies, Computing & Copying	1,286	2,980	1,281	4,626	2,215	2,218
Postage	133	38	52	60	20	136
Professional Training	13	7,387	4,438	1,865	4,467	3,245
Publications	2,055	716	1,643	1,384	235	239
Other	148	130	151	251	321	575
Real Estate Taxes	7,752	5,120	5,120	5,120	5,120	5,120
Telephone	1,246	1,249	1,254	1,536	1,382	960
Travel	5,211	4,607	2,182	6,727	6,834	4,083
Allowance For Loan Losses						(28,629)
Loan Servicing Fees	210	220	211	222	230	216
Interest	8,908	9,042	8,830	9,214	10,838	9,092
Total Expenses	154,240	128,177	251,513	180,000	152,543	273,030
	\$ (17,714)	\$ (22,329)	7,521	\$ 389,945	\$ (32,976)	\$ 4,843

Great Falls Development Authority, Inc.
 Comparison With 2016-17 "Operating" Budget
 Through the Five Months Ended November 30, 2016

	Total Through 11-30-16	Operating Budget		Over (Under) Budget
		Total	Prorated Thru 11-30-16	
Private Support	\$ 158,400	\$ 475,000	\$ 197,917	\$ (39,517)
Sponsorships	1,000	11,000	4,583	(3,583)
Public Support	50,000	50,000	50,000	
Support Collected	209,400	536,000	252,500	(43,100)
Program Revenues	39,881	95,368	39,737	144
Management	13,298	55,800	23,250	(9,952)
Grant Management	4,813	5,000	2,083	2,730
Ag Development Grant	39,600	39,600	39,600	
CDFI Grant	391,800	495,000	391,800	
EPA Assessment Grant	113,393	289,436	114,970	(1,577)
EPA RLF Grant	42,248	873,000	42,248	
EDA Manufacturing Grant	28,373	25,844	25,844	2,529
Other Grants	7,731	17,500	7,292	439
Interest	119,180	404,900	168,708	(49,528)
Miscellaneous Income	49,484	87,600	36,500	12,984
Sale of AgriTech Lots - Net of Costs			0	0
Total Income	1,059,201	2,925,048	1,144,532	(85,331)
Operating Expenses:				
Salaries and Wages	264,654	627,637	261,515	3,139
Payroll Expenses	68,556	172,296	71,790	(3,234)
Rent	17,107	42,000	17,500	(393)
Memberships and Dues	22,299	35,500	14,792	7,507
Advertising				
Conference and Trade Shows	12,758	20,000	8,333	4,425
Printing & Reproduction	418	2,000	833	(415)
Web Site Maintenance & Expense	300	2,200	917	(617)
Marketing Materials	1,102			1,102
Other Advertising	2,389	25,000	10,417	(8,028)
Auto Expense	4,050	9,720	4,050	
Depreciation	3,017	7,100	2,958	59
Insurance	18,245	18,000	7,500	10,745
Meeting Expenses	5,701	16,000	6,667	(966)
Professional Fees				
AgriTech Park	5,428	25,000	10,417	(4,989)
EPA Assessment Grant	108,515	270,000	108,515	
EPA RLF Grant		173,000	0	
Ag Development Grant Expenses	39,600	39,600	39,600	
Other	22,087	80,500	33,542	(11,455)
Grants	42,248	42,300	42,248	
Office Supplies, Computing & Copying	12,388	27,000	11,250	1,138
Postage	303	1,000	417	(114)
Professional Training	18,170	41,200	17,167	1,003
Publications	6,033	7,000	2,917	3,116
Other	1,001	10,000	4,167	(3,166)
Real Estate Taxes	28,232	61,440	25,600	2,632
Telephone	6,667	16,800	7,000	(333)
Travel	25,561	60,000	25,000	561
Allowance For Loan Losses	0	130,000		
Loan Servicing Fees	1,093	2,500	1,042	51
Interest	46,832	106,500	44,375	2,457
Operating Expenses	784,754	2,071,293	780,527	4,227
	\$ 274,447	\$ 853,755	\$ 364,005	\$ (89,558)

Great Falls Development Authority, Inc.
 Comparison With 2016-17 "Non-Operating" Budget
 Through the Five Months Ended November 30, 2016

	<u>Total Through 11-30-16</u>	<u>Total Non-Operating Budget</u>	<u>Over (Under) Budget</u>
Grants			
CDBG Grant	\$ 50,000	\$ 90,000	\$ (40,000)
Total Grant Income	<u>50,000</u>	<u>90,000</u>	<u>(40,000)</u>
Total Expenses	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$ 50,000</u>	<u>\$ 90,000</u>	<u>\$ (40,000)</u>

Great Falls Development Authority, Inc.
Statement of Cash Flows

	Five Months Ended <u>11-30-16</u>	Month Ended <u>11-30-16</u>	Month Ended <u>10-31-16</u>	Month Ended <u>9-30-16</u>
Cash Flows From Operating Activities:				
Change in Net Assets	\$ 324,447	\$ (17,714)	\$ (22,329)	\$ 7,521
Adjustments To Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:				
Depreciation	3,017	580	580	580
Increase (Decrease) in Loan Loss Reserves				
(Increase) Decrease in Operating Assets:				
Accounts Receivable	189,686	14,098	26,895	7,909
Accrued Interest Receivable	(13,257)	(11,051)	(988)	418
Increase (Decrease) in Operating Liabilities:				
Accounts Payable	(98,041)	44,781	(25,349)	7,643
Accrued Liabilities	26,389	6,681	(5,602)	13,877
Due To High Plains Financial, Inc.	(5,102)	(5,785)	(3,547)	91
Net Cash Provided (Used) By Operating Activities	<u>427,139</u>	<u>31,590</u>	<u>(30,340)</u>	<u>38,039</u>
Cash Flows From Investing Activities:				
Principal Payments Received on Notes Receivable	130,772	27,072	25,502	25,894
Loans Made To Third Parties	(1,835,300)	(1,750,000)	(85,300)	
Purchase of Office Equipment & Furniture	(4,235)	0	0	
Net Cash Provided (Used) By Investing Activities	<u>(1,708,763)</u>	<u>(1,722,928)</u>	<u>(59,798)</u>	<u>25,894</u>
Cash Flows From Financing Activities:				
Loan Proceeds				
Principal Payments Made on Term Loans	(338,093)	(3,480)	(3,577)	(3,417)
(Increase) Decrease in Cash				
Restricted For Loans and Grants	1,379,442	1,440,084	61,495	(71,790)
Net Cash Provided (Used) By Financing Activities	<u>1,041,349</u>	<u>1,436,604</u>	<u>57,918</u>	<u>(75,207)</u>
Net Increase (Decrease) in Cash	(240,275)	(254,734)	(32,220)	(11,274)
Unrestricted Cash, Beginning	1,440,526	1,454,985	1,487,205	1,498,479
Unrestricted Cash, Month End	<u>\$ 1,200,251</u>	<u>\$ 1,200,251</u>	<u>\$ 1,454,985</u>	<u>\$ 1,487,205</u>

Great Falls Development Authority, Inc.
Accounts Receivable, Accounts Payable, Accrued Liabilities and Professional Fees
November 30, 2016

	<u>Receivables</u>
PTAC Program	10,070
SBDC Program	5,285
City of Great Falls - BSTF Management	21,752
EPA Assessment Grant	915
EDA Manufacturing Grant	1,970
Specialty Crop Block Grant	1,012
TIF Reimbursement	15,384
Dimitri's LLC - Legal Fees	1,130
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	57,518
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	<u>Payables</u>
Charles M Russell Museum - EPA Grant	42,248
Chmura Economics & Analysis	6,175
Cogswell Agency	6,984
Dell Business Credit	12,282
Falcon, Lester & Schaff, P.C.	37,604
GIS Planning	5,000
Great Falls Chamber of Commerce	5,000
International Economic Development Council	5,250
Wells Fargo - Credit Cards	17,291
TD&H Engineering	2,800
TIF Expenses	3,112
Other Accounts Payable	10,626
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	154,372
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	<u>Accrued Liabilities</u>
Interest	9,103
Real Estate Taxes	58,952
State Tribal Economic Development (SSBCI)	38,055
Payroll (Paid After Month-End)	23,515
Paid Time Off, Etc.	27,138
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	156,763
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	<u>Professional Fees</u>
Accounting Fees	6,825
AgriTech Park	5,428
TIF Infrastructure	81,719
EPA Assessment Grant	108,515
Ag Development Grant	39,600
Other Professional Fees	15,262
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	257,349
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Great Falls Development Authority, Inc.

AgriTech Park

July 1, 2016 Through November 30, 2016

	<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					81,718.57		81,718.57
In Kind Contributions							0.00
Total Income	0.00	0.00	0.00	0.00	81,718.57	0.00	81,718.57
Engineering						2,800.00	2,800.00
Engineering - TIF District					81,718.57		81,718.57
Construction							0.00
Consulting & Other							0.00
Legal						2,627.50	2,627.50
Grants Awarded							0.00
Rail Crossing							0.00
Engineering - In-Kind							0.00
Appraisal, etc.							0.00
Application Fees							0.00
Salaries						56,998.36	56,998.36
Payroll Expenses						14,256.63	14,256.63
Advertising						839.40	839.40
Other Expenses						3.27	3.27
Travel							0.00
Real Estate Taxes						28,232.00	28,232.00
Interest						33,534.25	33,534.25
Admin Allocation						10,376.99	10,376.99
Total Expenses	0.00	0.00	0.00	0.00	81,718.57	149,668.40	231,386.97
Net	0.00	0.00	0.00	0.00	0.00	(149,668.40)	(149,668.40)

Great Falls Development Authority, Inc.
AgriTech Park

From Inception Through November 30, 2016

	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					2,091,182.28	730,620.24	730,620.24	730,620.24	
In Kind Contributions						3,675.00	2,091,182.28	2,075,798.38	15,383.90
							3,675.00	3,675.00	
Total Income	50,000.00	50,000.00	326,600.00	370,000.00	2,091,182.28	734,295.24	3,622,077.52	3,606,693.62	15,383.90
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					2,090,185.20		2,090,185.20	2,087,073.56	3,111.64
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						185,072.45	185,072.45	155,409.61	29,662.84
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		345,978.07	350,607.42	350,607.42	
Payroll Expenses				1,226.25		83,948.66	85,174.91	85,174.91	
Advertising				183.00	997.08	3,898.41	5,078.49	5,078.49	
Other Expenses						3,679.85	3,679.85	3,676.58	3.27
Travel						148.58	148.58	148.58	
Real Estate Taxes						210,211.64	210,211.64	151,259.64	58,952.00
Interest						71,999.97	71,999.97	65,424.63	6,575.34
Admin Allocation				2,034.40		79,297.10	81,331.50	81,331.50	
Total Expenses	50,000.00	50,000.00	331,130.50	377,309.35	2,091,182.28	1,247,837.80	4,147,459.93	4,046,354.84	101,105.09
Net	0.00	0.00	(4,530.50)	(7,309.35)	0.00	(513,542.56)	(525,382.41)		