

Great Falls Development Authority, Inc.
Financial Report
October 31, 2016

Page 1 – Statement of Financial Position:

Net assets increased \$342,161 during the four months ended October 31, 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 \$99,639.

Cash restricted for loans and grants increased \$60,642 during the four-month period. Two loans in the total gross amount of \$85,300 were closed during October, 2016.

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

Private support revenues totaled \$151,130 for the four months, an increase of \$1,467 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 expenses incurred during October include insurance, professional fees, memberships and dues, professional training, travel, interest and real estate taxes.

Page 5 – Comparison with "Operating" Budget

This statement compares GFDA's actual results through October 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 (4 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 October were approximately \$83,200 less than the prorated budget amount with the most significant under budget items being Management Fees, Interest and

Miscellaneous Income. Total expenses were approximately \$10,300 more than the prorated budget amount with significant over budget line items including salaries and wages, memberships and dues and conferences and trade shows.

Page 6 – Comparison with “Non-Operating” Budget

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

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

This page lists GFDA’s receivables, payables and accrued liabilities at October 31, 2016 and Professional Fee expenses recognized through October 31.

Pages 9 and 10 – AgriTech Park

Page 9 reflects activities with respect to the AgriTech Park for the four months ended October 31. Net expenses pertaining to the Park totaled \$121,880.

Page 10 reflects all activities with respect to the AgriTech Park from inception through October 31, 2016. Unrecovered costs on the project totaled \$481,080 exclusive of in-kind engineering fees in the amount of \$16,514.

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

	<u>October 31,</u> <u>2016</u>	<u>June 30,</u> <u>2016</u>
Current Assets		
Cash and Cash Equivalents	\$ 1,454,985	\$ 1,440,526
Cash Restricted For Loans and Grants	2,098,570	2,037,928
Accounts Receivable	71,616	247,205
Accrued Interest Receivable	24,998	22,792
Current Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$19,000)	<u>419,232</u>	<u>420,267</u>
 Total Current Assets	 4,069,401	 4,168,718
 Office Furniture and Equipment - Net	 15,712	 13,913
 Noncurrent Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$361,000)	 <u>5,115,606</u>	 <u>5,132,971</u>
 Total Assets	 <u>\$ 9,200,719</u>	 <u>\$ 9,315,602</u>
 Current Liabilities		
Accounts Payable	\$ 109,591	\$ 252,413
Accrued Liabilities	150,082	130,374
Current Portion of Notes Payable	43,085	63,126
Due To High Plains Financial, Inc.	<u>10,647</u>	<u>9,964</u>
 Total Current Liabilities	 313,405	 455,877
 Noncurrent Notes Payable		
First Interstate Bank Loan	27,572	342,144
MDOC - Microloan Note Payable	500,000	500,000
CDFI - Enterprise Fund	<u>250,000</u>	<u>250,000</u>
 Total Noncurrent Liabilities	 <u>777,572</u>	 <u>1,092,144</u>
 Net Assets		
Beginning of Year	7,767,581	6,925,809
Increase (Decrease) in Net Assets - Current Year	<u>342,161</u>	<u>841,772</u>
 Total Net Assets	 <u>8,109,742</u>	 <u>7,767,581</u>
 Total Liabilities and Net Assets	 <u>\$ 9,200,719</u>	 <u>\$ 9,315,602</u>

Great Falls Development Authority, Inc.
Statement of Activities and Changes in Net Assets
For The Four Months Ended October 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenues				
Private Support	\$ 150,130	\$ -	\$ -	\$ 150,130
Sponsorships	1,000			1,000
Public Support	50,000	-		50,000
Total Support	201,130	-	-	201,130
Grants	391,800	184,842	50,000	626,642
Contracts and Program Revenues	-	32,402	-	32,402
Interest	37	87,240	-	87,277
Sale of AgriTech Lots - Net of Cost		-	-	0
Fees and Miscellaneous Income	106,676	267	-	106,943
Total Support and Revenues	699,643	304,751	50,000	1,054,394
Net Assets Released				
From Restrictions	304,750	(304,750)	-	-
Total Support, Revenues and Reclassifications	1,004,393	1	50,000	1,054,394
Expenses				
Strategic Priorities				
Business Attraction and Expansion	15,335	-	-	15,335
Great Falls AgriTech Park	203,598	-	-	203,598
Business Technical Assistance	69,600	-	-	69,600
Fundraising	18,301	-	-	18,301
Grants	209,117	-	-	209,117
Lending and Finance	104,627	-	-	104,627
Management and General	91,655	-	-	91,655
Total Expenses	712,233	-	-	712,233
Change in Net Assets	292,160	1	50,000	342,161
Revolving Loan Fund Expenses In Excess of Earnings	3,946	(4,157)	211	
Net Assets, July 1, 2016	1,118,642	2,032,753	4,616,186	7,767,581
Net Assets, October 31, 2016	\$ 1,414,748	\$ 2,028,597	\$ 4,666,397	\$ 8,109,742

Great Falls Development Authority, Inc.
Statement of Revenues and Expenses
For the Four Months Ended October 31, 2016 and 2015

	Lending Activities	AgriTech	EDA Manu. & EPA Assess.	All Other Activities	Four Months Ended 10-31-16	Four Months Ended 10-31-15
Private Support Sponsorships	\$	\$	\$	\$ 150,130	\$ 150,130	\$ 149,663
Public Support				1,000	1,000	-
				50,000	50,000	50,000
Support Collected				201,130	201,130	199,663
Program Revenues				32,402	32,402	33,278
Grants	441,800		138,881	45,961	626,642	48,517
Management	12,564			3,355	15,919	19,424
Interest	87,240		1	36	87,277	144,665
Sale of AgriTech Lots - Net of Cost					0	419,412
TIF Reimbursements		81,719			81,719	150,765
Miscellaneous Income	267			9,038	9,305	948
Total Income	541,871	81,719	138,882	291,922	1,054,394	1,016,672
Operating Expenses:						
Salaries and Wages	63,673	48,281	41,612	62,682	216,248	213,073
Payroll Expenses	16,767	11,887	11,586	16,021	56,261	53,422
Rent				13,686	13,686	13,686
Memberships and Dues				18,921	18,921	22,487
Advertising						
Conference and Trade Shows				12,168	12,168	2,454
Printing & Reproduction				418	418	
Web Site Maintenance & Expense				240	240	593
Marketing Materials				190	190	317
Other Advertising		839		1,479	2,318	12,436
Auto Expense				3,240	3,240	3,240
Depreciation				2,437	2,437	2,381
Insurance				9,905	9,905	9,373
Meeting Expenses				5,645	5,645	807
Professional Fees						
AgriTech Park		5,252			5,252	31,570
EDA Manufacturing Grant					0	19,000
TIF Infrastructure		81,719			81,719	150,765
Ag Development Grant Expenses				39,600	39,600	9,900
EPA Assessment Grant			108,515		108,515	-
Other	969			15,183	16,152	10,348
Grants					0	17,473
Office Supplies, Computing & Copying				11,102	11,102	13,446
Postage				170	170	209
Professional Training				18,157	18,157	24,238
Publications				3,978	3,978	3,483
Other	415			438	853	3,226
Real Estate Taxes		20,480			20,480	15,443
Telephone				5,421	5,421	5,506
Travel			1,443	18,907	20,350	7,280
Allowance For Loan Losses					0	
Loan Servicing Fees	883				883	1,034
Interest	7,517	26,959		3,448	37,924	17,035
Expense Allocation	14,404	8,181		(22,585)		
Total Expenses	104,628	203,598	163,156	240,851	712,233	664,225
	\$ 437,243	\$ (121,879)	\$ (24,274)	\$ 51,071	\$ 342,161	\$ 352,447

Great Falls Development Authority, Inc.
 Statement of Revenues and Expenses
 By Month For Each of the Six Months Ended October 31, 2016

	October	September	August	July	June	May
Private Support	\$ 57,270	\$ 40,895	\$ 23,070	\$ 28,895	\$ 26,867	\$ 31,570
Sponsorships		500	500		7,460	
Public Support			50,000			
Support Collected	57,270	41,395	73,570	28,895	34,327	31,570
Program Revenues	7,888	9,586	7,821	7,107	7,170	8,609
Grants	11,112	129,308	445,012	41,210	42,328	15,460
Management	5,567	4,204	1,012	5,136	5,168	7,533
Interest	21,329	21,416	22,196	22,336	21,763	22,019
TIF District Reimbursement	1,086	52,757	16,320	11,556	165,506	137,297
Sale of AgriTech Lots - Net of Cost						
Miscellaneous Income	1,596	368	4,014	3,327	1,611	2,314
Total Income	105,848	259,034	569,945	119,567	277,873	224,802
Operating Expenses:						
Salaries and Wages	51,357	62,365	51,292	51,234	44,080	40,571
Payroll Expenses	14,964	15,725	13,013	12,559	11,217	12,144
Rent	3,422	3,421	3,422	3,421	3,422	3,421
Memberships and Dues	8,985	8,794	382	760	1,789	1,396
Advertising						
Conference and Trade Shows	2,304	250	7,914	1,700	2,693	370
Printing & Reproduction	94		230	94		
Web Site Maintenance & Expense	60	60	60	60	60	120
Marketing Materials		190			0	252
Other Advertising		47	2,244	27	99	1,515
Auto Expense	810	810	810	810	810	810
Depreciation	580	580	675	602	674	595
Insurance	7,524	0	514	1,867		
Meeting Expenses	319	1,745	2,436	1,145	1,954	1,458
Professional Fees						
AgriTech Park	3,073	487	1,692		6,163	1,984
AgriTech Park - TIF	1,086	52,757	16,320	11,556	165,506	137,297
EDA Manufacturing Grant			39,600			
Ag Developmnet Grant			39,600			
EPA Assessment Grant	507	70,595	4,569	32,844	32,470	7,892
Other	1,603	8,525	3,822	2,202	4,838	2,425
Grants						38,055
Office Supplies, Computing & Copying	2,980	1,281	4,626	2,215	2,218	1,294
Postage	38	52	60	20	136	53
Professional Training	7,387	4,438	1,865	4,467	3,245	290
Publications	716	1,643	1,384	235	239	183
Other	130	151	251	321	575	175
Real Estate Taxes	5,120	5,120	5,120	5,120	5,120	5,120
Telephone	1,249	1,254	1,536	1,382	960	1,751
Travel	4,607	2,182	6,727	6,834	4,083	3,467
Allowance For Loan Losses					(28,629)	
Loan Servicing Fees	220	211	222	230	216	236
Interest	9,042	8,830	9,214	10,838	9,092	8,847
Total Expenses	128,177	251,513	180,000	152,543	273,030	271,721
	\$ (22,329)	\$ 7,521	\$ 389,945	\$ (32,976)	\$ 4,843	\$ (46,919)

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

	Total Through 10-31-16	Operating Budget		Over (Under) Budget
		Total	Prorated Thru 10-31-16	
Private Support	\$ 150,130	\$ 475,000	\$ 158,333	\$ (8,203)
Sponsorships	1,000	11,000	3,667	(2,667)
Public Support	50,000	50,000		
Support Collected	201,130	536,000	162,000	(10,870)
Program Revenues	32,402	95,368	31,789	613
Management	12,564	55,800	18,600	(6,036)
Grant Management	3,355	5,000	1,667	1,688
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		873,000		
EDA Manufacturing Grant	25,488	25,844	25,488	
Other Grants	6,361	17,500	5,833	528
Interest	87,277	404,900	134,967	(47,690)
Miscellaneous Income	9,305	87,600	29,200	(19,895)
Sale of AgriTech Lots - Net of Costs			0	0
Total Income	922,675	2,925,048	955,914	(83,239)
Operating Expenses:				
Salaries and Wages	216,248	627,637	209,212	7,036
Payroll Expenses	56,261	172,296	57,432	(1,171)
Rent	13,686	42,000	14,000	(314)
Memberships and Dues	18,921	35,500	11,833	7,088
Advertising				
Conference and Trade Shows	12,168	20,000	6,667	5,501
Printing & Reproduction	418	2,000	667	(249)
Web Site Maintenance & Expense	240	2,200	733	(493)
Marketing Materials	190			190
Other Advertising	2,318	25,000	8,333	(6,015)
Auto Expense	3,240	9,720	3,240	
Depreciation	2,437	7,100	2,367	70
Insurance	9,905	18,000	6,000	3,905
Meeting Expenses	5,645	16,000	5,333	312
Professional Fees				
AgriTech Park	5,252	25,000	8,333	(3,081)
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	16,152	80,500	26,833	(10,681)
Grants	0	42,300		
Office Supplies, Computing & Copying	11,102	27,000	9,000	2,102
Postage	170	1,000	333	(163)
Professional Training	18,157	41,200	13,733	4,424
Publications	3,978	7,000	2,333	1,645
Other	853	10,000	3,333	(2,480)
Real Estate Taxes	20,480	61,440	20,480	
Telephone	5,421	16,800	5,600	(179)
Travel	20,350	60,000	20,000	350
Allowance For Loan Losses	0	130,000		
Loan Servicing Fees	883	2,500	833	50
Interest	37,924	106,500	35,500	2,424
Operating Expenses	630,514	2,071,293	620,246	10,268
	\$ 292,161	\$ 853,755	\$ 335,668	\$ (93,507)

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

	Total Through 10-31-16	Total Non-Operating Budget	Over (Under) Budget
Grants			
CDBG Grant	\$ 50,000	\$ 90,000	\$ (40,000)
Total Grant Income	50,000	90,000	(40,000)
Total Expenses	0	0	0
	\$ 50,000	\$ 90,000	\$ (40,000)

Great Falls Development Authority, Inc.
Statement of Cash Flows

	Four Months Ended 10-31-16	Month Ended 10-31-16	Month Ended 9-30-16	Month Ended 8-31-16
Cash Flows From Operating Activities:				
Change in Net Assets	\$ 342,161	\$ (22,329)	\$ 7,521	\$ 389,945
Adjustments To Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:				
Depreciation	2,437	580	580	675
Increase (Decrease) in Loan Loss Reserves				
(Increase) Decrease in Operating Assets:				
Accounts Receivable	175,588	26,895	7,909	123,118
Accrued Interest Receivable	(2,206)	(988)	418	382
Increase (Decrease) in Operating Liabilities:				
Accounts Payable	(142,822)	(25,349)	7,643	(118,911)
Accrued Liabilities	19,708	(5,602)	13,877	3,579
Due To High Plains Financial, Inc.	683	(3,547)	91	(867)
Net Cash Provided (Used) By Operating Activities	395,549	(30,340)	38,039	397,921
Cash Flows From Investing Activities:				
Principal Payments Received on Notes Receivable	103,700	25,502	25,894	26,373
Loans Made To Third Parties	(85,300)	(85,300)		
Purchase of Office Equipment & Furniture	(4,235)	0		(1,488)
Net Cash Provided (Used) By Investing Activities	14,165	(59,798)	25,894	24,885
Cash Flows From Financing Activities:				
Loan Proceeds				
Principal Payments Made on Term Loans	(334,613)	(3,577)	(3,417)	(318,219)
(Increase) Decrease in Cash Restricted For Loans and Grants	(60,642)	61,495	(71,790)	(25,844)
Net Cash Provided (Used) By Financing Activities	(395,255)	57,918	(75,207)	(344,063)
Net Increase (Decrease) in Cash	14,459	(32,220)	(11,274)	78,743
Unrestricted Cash, Beginning	1,440,526	1,487,205	1,498,479	1,419,736
Unrestricted Cash, Month End	\$ 1,454,985	\$ 1,454,985	\$ 1,487,205	\$ 1,498,479

Great Falls Development Authority, Inc.
Accounts Receivable, Accounts Payable, Accrued Liabilities and Professional Fees
October 31, 2016

	<u>Receivables</u>
PTAC Program	7,876
SBDC Program	5,285
City of Great Falls & Cascade County - BSTF Management	20,856
EPA Assessment Grant	1,107
EDA Manufacturing Grant	11,937
Specialty Crop Block Grant	8,041
TIF Reimbursement	15,384
Dimitri's LLC - Legal Fees	1,130
	71,616
	71,616

	<u>Payables</u>
Cogswell Agency	6,868
Dell Business Credit	12,472
Falcon, Lester & Schaff, P.C.	37,019
GIS Planning	5,000
Great Falls Chamber of Commerce	5,090
International Economic Development Council	5,250
Wells Fargo - Credit Cards	15,461
TD&H Engineering	2,800
TIF Expenses	3,112
Other Accounts Payable	16,519
	109,591
	109,591

	<u>Accrued Liabilities</u>
Interest	8,331
Real Estate Taxes	51,200
State Tribal Economic Development (SSBCI)	38,055
Payroll (Paid After Month-End)	24,716
Paid Time Off, Etc.	27,780
	150,082
	150,082

	<u>Professional Fees</u>
Accounting Fees	3,600
AgriTech Park	5,252
TIF Infrastructure	81,719
EPA Assessment Grant	108,515
Ag Development Grant	39,600
Other Professional Fees	12,552
	251,238
	251,238

Great Falls Development Authority, Inc.

AgriTech Park

July 1, 2016 Through October 31, 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						2,452.00	2,452.00
Grants Awarded							0.00
Rail Crossing							0.00
Engineering - In-Kind							0.00
Appraisal, etc.							0.00
Application Fees							0.00
Salaries						48,281.24	48,281.24
Payroll Expenses						11,887.05	11,887.05
Advertising						839.40	839.40
Other Expenses							0.00
Travel							0.00
Real Estate Taxes						20,480.00	20,480.00
Interest						26,958.91	26,958.91
Admin Allocation						8,181.24	8,181.24
Total Expenses	0.00	0.00	0.00	0.00	81,718.57	121,879.84	203,598.41
Net	0.00	0.00	0.00	0.00	0.00	(121,879.84)	(121,879.84)

Great Falls Development Authority, Inc.
AgriTech Park

From Inception Through October 31, 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	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					2,091,182.28		2,091,182.28	2,075,798.38	15,383.90
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	2,091,182.28	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						184,896.95	184,896.95	155,409.61	29,487.34
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		337,260.95	341,890.30	341,890.30	
Payroll Expenses				1,226.25		81,579.08	82,805.33	82,805.33	
Advertising				183.00	997.08	3,898.41	5,078.49	5,078.49	
Other Expenses						3,676.58	3,676.58	3,676.58	
Travel						148.58	148.58	148.58	
Real Estate Taxes						202,459.64	202,459.64	151,259.64	51,200.00
Interest						65,424.63	65,424.63	58,630.10	6,794.53
Admin Allocation				2,034.40		77,101.35	79,135.75	79,135.75	
Total Expenses	50,000.00	50,000.00	331,130.50	377,309.35	2,091,182.28	1,220,049.24	4,119,671.37	4,026,277.86	93,393.51
Net	0.00	0.00	(4,530.50)	(7,309.35)	0.00	(485,754.00)	(497,593.85)		