

GFDA Financial Report April 2020

5/8/20 (Financials as of April 30, 2020)

This financial report includes GFDA's wholly owned subsidiary AgriTech Park LLC. It does not include High Plains Financial or AgriTech Park Association which are separate entities.

Highlights

April was a difficult financial month. Investment revenue totaled only \$3,325. Expenses included a mid-year allowance for loan losses of \$107,950 spread across various loan funds due to increased risk resulting from the COVID crisis and economic downturn. This resulted in a loss for the month of \$158,508. Fiscal year to date remains positive at \$393,655. Revenue FYTD was \$9,589 under budget and expenses \$155,162 under budget.

Unrestricted operating cash was boosted by receipt of a \$191,398 PPP loan from First Interstate Bank. We ended the month with 238 days of unrestricted operating cash.

Management expects that due to the economic adverse conditions investment revenue will come in \$75,000 under budget for the fiscal year. And, that at least another \$250,000 will be booked in loan loss allowance before the end of the fiscal year, resulting in expense for this line item of at least \$257,950 over budget.

The FY 2020 budget assumed drawdown of \$439,267 from the EPA for brownfield loans. Due to delays, this may come in lower than expected this fiscal year. No brownfield grants were budgeted, however, we have approved so far up to \$67,000 in grants and anticipate approving more. Project timing is uncertain so we do not know how much of this will be booked as expense this fiscal year or next.

Management may accelerate the drawdown of the remaining \$150,000 left to draw on our 2019 CDFI grant to receive the funds this fiscal year which would boost our revenue to offset some of our financial challenges to close out the fiscal year with positive net income.

We are in the process of applying for, and have already applied for, a number of public and private grants to increase our available loan capital, increase our ability to provide greater economic development services to help stabilize and recover the regional economy, and provide operating support. We have slowly restarted investment fundraising efforts. We anticipate business development travel expense to come in \$50,000 under budget. We will not receive the \$18,700 budgeted from the Montana Pulse Committee because we will not undertake the travel this fiscal year. We have submitted an extension request which the Committee will consider at its June meeting. We have also saved \$13,000 budgeted in lending consulting expense by deciding to not apply for a CDFI Capital Magnet grant, and postponed a budgeted \$12,000 lending consultant expense by postponing update of our lending policies and procedures to next fiscal year.

GFDA BALANCE SHEET
April 30, 2020

	<u>April 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
Current Assets		
Cash and Cash Equivalents	\$ 1,385,037	\$ 1,248,863
Cash Restricted For Loans and Grants	2,374,022	559,810
Accounts Receivable	41,647	24,671
AgriTech TIF Receivable	0	140,099
Accrued Interest Receivable	117,969	47,827
Current Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$93,106.25)	<u>2,867,621</u>	<u>2,075,863</u>
 Total Current Assets	 6,786,297	 4,097,133
 AgriTech TIF Receivable - Long-Term Assets	 140,099	 0
 Office Furniture and Equipment - Net	 88,971	 98,388
 Noncurrent Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$873,318.75)	 <u>4,500,155</u>	 <u>6,900,354</u>
 Total Assets	 <u>\$ 11,515,522</u>	 <u>\$ 11,095,875</u>
 Current Liabilities		
Accounts Payable	\$ 4,683	\$ 50,814
Accrued Liabilities	175,243	138,624
Current Portion of Notes Payable	159,120	653,323
First Interstate Bank PPP Loan #1870-0	191,398	0
Deferred Grant Revenues	0	23,852
Funds Held in Trust	8,604	9,689
Due To High Plains Financial, Inc.	<u>(8,246)</u>	<u>(6,527)</u>
 Total Current Liabilities	 530,801	 869,776
 Noncurrent Notes Payable		
MDOC - Microloan Note Payable	500,000	0
USDA-IRP	373,088	400,960
MBOI-IRP	91,107	95,393
First Interstate Bank Loan-#2372	40,593	74,275
First Interstate Bank Loan-#628	<u>157,213</u>	<u>226,407</u>
 Total Noncurrent Liabilities	 <u>1,162,001</u>	 <u>797,034</u>
 Net Assets		
Beginning of Year	9,429,065	9,214,332
Increase (Decrease) in Net Assets - Current Year	<u>393,655</u>	<u>214,733</u>
 Total Net Assets	 <u>9,822,720</u>	 <u>9,429,065</u>
 Total Liabilities and Net Assets	 <u>\$ 11,515,522</u>	 <u>\$ 11,095,875</u>

GFDA INCOME/EXPENSE
April 30, 2020

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	April 2020	Total Through 04-30-20	Operating Budget		Over (Under) Budget
			Total	Prorated Thru 04-30-20	
REVENUE					
Investment	\$ 3,325	382,460	\$ 525,000	\$ 437,500	\$ (55,040)
GENERATED REVENUE					
AgriTech Park	0	0	0	0	0
AgriTech Park City TIF Reimbursement	0	159,912	315,000	157,500	2,412
BID	3,134	12,410	24,500	16,333	(3,923)
FADC, PTAC, SBDC & Coop	23,307	221,914	250,819	209,016	12,898
HPF Management	3,000	36,000	60,000	50,000	(14,000)
Lending Interest & Fees	52,328	518,118	580,000	483,333	34,785
Project Grants	13,911	434,106	516,072	430,060	4,046
Client Grant Management	0	0	0	0	0
Events and Miscellaneous	0	4,046	0	0	4,046
Sponsorship	0	15,000	15,000	12,500	2,500
	<u>95,679</u>	<u>1,401,505</u>	<u>1,761,391</u>	<u>1,358,743</u>	<u>42,763</u>
Loan Capital Grants	<u>2,689</u>	<u>597,689</u>	<u>1,051,267</u>	<u>595,000</u>	<u>2,689</u>
	2,689	597,689	1,051,267	595,000	2,689
Total Revenue	101,693	2,381,654	3,337,658	2,391,243	(9,589)
EXPENSE					
Staff					
Salaries and Wages	90,071	745,237	909,900	758,250	(13,013)
Payroll Expenses & Benefits	25,475	208,744	254,769	212,308	(3,563)
Professional Development	0	41,320	45,000	37,500	3,820
	<u>115,546</u>	<u>995,301</u>	<u>1,209,669</u>	<u>1,008,058</u>	<u>(12,757)</u>
Operations					
Auto	899	8,634	10,400	8,667	(33)
Communication	1,346	15,358	25,000	20,833	(5,476)
Depreciation	2,312	21,703	28,000	23,333	(1,630)
Insurance	678	15,958	19,000	15,833	125
Meetings	953	13,247	25,000	20,833	(7,586)
Office	5,231	59,156	71,000	59,167	(11)
Operating Debt Interest & Fees	1,115	12,661	22,000	18,333	(5,672)
Professional Fees	600	27,983	40,000	33,333	(5,350)
Supplies, Computing & Copying	1,084	22,560	30,000	25,000	(2,440)
Miscellaneous	299	14,741	15,500	12,917	1,824
	<u>14,517</u>	<u>212,001</u>	<u>285,900</u>	<u>238,250</u>	<u>(26,249)</u>
Business Development					
Marketing	1,132	26,996	51,000	42,500	(15,504)
Memberships & Subscriptions	2,097	62,232	60,000	50,000	12,232
Professional Fees	2,319	16,279	50,000	41,667	(25,388)
Publications	39	2,207	2,000	1,667	540
Travel	0	31,683	85,000	70,833	(39,150)
	<u>5,587</u>	<u>139,396</u>	<u>248,000</u>	<u>206,667</u>	<u>(67,270)</u>
Lending					
Allowance For Loan Losses	107,950	107,950	100,000	100,000	7,950
Loan Capital Interest	1,641	16,686	26,000	21,667	(4,981)
Brownfield Loan Capital Grants	0	0	0	0	0
Professional Fees & Misc.	282	13,676	60,500	50,417	(36,741)
	<u>109,873</u>	<u>138,312</u>	<u>186,500</u>	<u>172,083</u>	<u>(33,771)</u>
Projects					
AgriTech Park	11,972	130,237	196,458	163,715	(33,478)
AgriTech Park TIF Reimbursement	0	153,755	315,000	157,500	(3,745)
Brownfield Assessment	2,706	218,997	236,267	196,889	22,108
Yes for Cascade County Jobs	0	0	0	0	0
	<u>14,678</u>	<u>502,989</u>	<u>747,725</u>	<u>518,104</u>	<u>(15,115)</u>
Total Expense	260,201	1,987,999	2,677,794	2,143,162	(155,162)
Net Income	(158,508)	393,655	659,864	248,081	145,574
Less Loan Capital Grants	(2,689)	(597,689)	(1,051,267)		
Operating Deficit	(161,196)	(204,034)	(391,403)		

GFDA CASH BALANCES
April 30, 2020

	4/30/20	6/30/19
Unrestricted Cash		
Bank Accounts		
Operating - First Interstate Bank 8023	221,771.30	239,194.58
AgriTech Park LLC - First Interstate Bank 7780	591.06	864.49
Enterprise - US Bank 4211	1,036.37	1,031.97
Enterprise - US Bank 6937	1,161,638.39	1,007,771.85
	1,385,037.12	1,248,862.89
Days Unrestricted Operating Cash		
Annual Budget Expense	2,677,794.00	
Less Depreciation	(28,000.00)	
Less Allowance for Loan Losses	(100,000.00)	
Less AgriTech Park TIF Reimbursement	(315,000.00)	
Less Agritech Park Loans Interest	(111,000.00)	
Less Brownfield Loan Capital Grants	-	
	2,123,794.00	
Operating Budget	2,123,794.00	
Daily Operating Expense (365 days)	5,818.61	
Days Unrestricted Operating Cash	238	
Day Operating Cash Objective	180	
	1,047,350.47	
Surplus (Deficit) Operating Cash	337,686.65	
Restricted Cash		
Programs		
SBDC	12,205.82	
EDA RLF	829,096.55	
EPA Assessment - First Interstate Bank 3008	46.26	
EPA RLF	866,838.34	
CDBG - City EDA RLF	44,666.29	
CDBG - Cascade County RLF	37,675.92	
Downtown RLF	144,814.92	
CDBG - City RLF	182,564.60	
MicroBusiness RLF	136,027.43	
IRP RLF	120,086.32	
	2,374,022.45	