

GFDA Financial Report May 2020

6/11/20 (Financials as of May 31, 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

We incurred a loss of \$454,291 in May due to booking \$447,834 in loan loss allowance expense and \$9,634 in brownfield loan capital grants. If not for these two expenses, we would have produced positive net income of \$3,177. In the last two months, we have booked a total of \$555,784 in loan loss allowance expense, putting our net income fiscal year to date into a loss of \$61,691.

We are working to secure agreements with borrowers by the end of June that would enable us to not book any additional loan loss allowance this fiscal year, unless other loans not currently on our watch list should become riskier.

We collected \$26,225 in investment in May, bringing our fiscal year total to \$408,685. We are working to try to collect enough during June to top \$450,000. This would be \$75,000 under budget, but much better than we feared in March. Overall revenue eleven months into the fiscal year was \$8,895 under budget, driven by investment being \$72,565 under budget.

Expenses through May were \$278,635 over budget, however, when you deduct the over budget loan loss allowance and brownfield loan capital grant expenses, we were \$186,783 under budget, with savings on staff, operations, business development, lending professional fees, and AgriTech Park.

In addition to working hard on investment, we are working to close loans in June that would enable us to book \$150,000 in revenue from the CDFI Fund and \$87,000 in EPA loan capital. We are also hoping to get our PPP loan forgiveness before the end of June. These could make it possible for us to end the fiscal year with positive net income.

Our cash position remains strong. We ended May with 226 days of unrestricted operating cash. The ICS agreement we put in place to add protection on our US Bank accounts is now operative with \$950,000 swept into the investment account. Over the past three months we have put additional sweep account in place with First Interstate Bank and Stockman Bank.

We continue to pursue grant funds for additional loan capital and to help fund operations and our COVID response initiatives. We have seven pending grant and loan applications that we have submitted since the end of March. This week the Montana Pulse Committee approved a one fiscal year extension of the \$18,700 they awarded to GFDA for pulse-crop processing related business development travel. The Business Improvement District Board approved an agreement for splitting the cost of the Downtown Business Development Officer for FY 2021. Both of these items are in our FY 2021 Budget. We have a pending request in to EPA to extend our revolving loan fund drawdown period for one fiscal year due to project delays stemming from COVID.

The GFDA Board approved the FY2021 Budget at its June meeting, as well as updates to our Financial Management and Procurement policies.

GFDA BALANCE SHEET

May 31,
2020

	May 31, 2020	June 30, 2019
Current Assets		
Cash and Cash Equivalents	\$ 1,313,969	\$ 1,248,863
Cash Restricted For Loans and Grants	2,295,793	559,810
Accounts Receivable	53,054	24,671
AgriTech TIF Receivable	0	140,099
Accrued Interest Receivable	121,437	47,827
Current Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$138,946)	2,852,772	2,075,863
Total Current Assets	6,637,025	4,097,133
AgriTech TIF Receivable - Long-Term Assets	140,099	0
Office Furniture and Equipment - Net	86,496	98,388
Noncurrent Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$1,275,313)	4,173,077	6,900,354
Total Assets	\$ 11,036,698	\$ 11,095,875
Current Liabilities		
Accounts Payable	\$ 8,377	\$ 50,814
Accrued Liabilities	157,333	138,624
Current Portion of Notes Payable	159,694	653,323
First Interstate Bank PPP Loan #1870-0	191,398	0
Deferred Grant Revenues	0	23,852
Funds Held in Trust	10,955	9,689
Due To High Plains Financial, Inc.	(9,246)	(6,527)
Total Current Liabilities	518,511	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	36,860	74,275
First Interstate Bank Loan-#628	149,758	226,407
Total Noncurrent Liabilities	1,150,813	797,034
Net Assets		
Beginning of Year	9,429,065	9,214,332
Increase (Decrease) in Net Assets - Current Year	(61,691)	214,733
Total Net Assets	9,367,374	9,429,065
Total Liabilities and Net Assets	\$ 11,036,698	\$ 11,095,875

GFDA INCOME/EXPENSE
May 31, 2020

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	May 2020	Total Through 05-31-20	Operating Budget		Over (Under) Budget
			Total	Prorated Thru 05-31-20	
REVENUE					
Investment	\$ 26,225	408,685	\$ 525,000	\$ 481,250	\$ (72,565)
GENERATED REVENUE					
AgriTech Park	0	0	0	0	0
AgriTech Park City TIF Reimbursement	0	159,912	315,000	157,500	2,412
BID	3,144	15,553	24,500	20,417	(4,864)
FADC, PTAC, SBDC & SBDC CARES	28,244	250,158	250,819	229,917	20,240
HPF Management	6,000	42,000	60,000	55,000	(13,000)
Lending Interest & Fees	48,282	566,400	580,000	531,667	34,734
Project Grants	22,658	456,764	516,072	473,066	(16,302)
Client Grant Management	0	0	0	0	0
Events and Miscellaneous	0	4,046	0	0	4,046
Sponsorship	0	15,000	15,000	13,750	1,250
	<u>108,327</u>	<u>1,509,832</u>	<u>1,761,391</u>	<u>1,481,317</u>	<u>28,516</u>
Loan Capital Grants	<u>32,465</u>	<u>630,154</u>	<u>1,051,267</u>	<u>595,000</u>	<u>35,154</u>
	<u>32,465</u>	<u>630,154</u>	<u>1,051,267</u>	<u>595,000</u>	<u>35,154</u>
Total Revenue	167,018	2,548,672	3,337,658	2,557,567	(8,895)
EXPENSE					
Staff					
Salaries and Wages	77,154	822,391	909,900	834,075	(11,684)
Payroll Expenses & Benefits	22,593	231,337	254,769	233,538	(2,201)
Professional Development	2,278	44,248	45,000	41,250	2,998
	<u>102,025</u>	<u>1,097,976</u>	<u>1,209,669</u>	<u>1,108,863</u>	<u>(10,887)</u>
Operations					
Auto	899	9,534	10,400	9,533	1
Communication	1,510	16,885	25,000	22,917	(6,032)
Depreciation	2,475	24,178	28,000	25,667	(1,489)
Insurance	0	15,958	19,000	17,417	(1,459)
Meetings	719	13,966	25,000	22,917	(8,951)
Office	5,831	64,986	71,000	65,083	(98)
Operating Debt Interest & Fees	1,112	13,773	22,000	20,167	(6,393)
Professional Fees	49	32,359	40,000	36,667	(4,307)
Supplies, Computing & Copying	994	23,555	30,000	27,500	(3,945)
Miscellaneous	(1,125)	13,571	15,500	14,208	(637)
	<u>12,464</u>	<u>228,765</u>	<u>285,900</u>	<u>262,075</u>	<u>(33,310)</u>
Business Development					
Marketing	9,263	36,259	51,000	46,750	(10,491)
Memberships & Subscriptions	10,511	72,743	60,000	55,000	17,743
Professional Fees	7,970	19,921	50,000	45,833	(25,913)
Publications	39	2,246	2,000	1,833	413
Travel	(2,802)	28,881	85,000	77,917	(49,036)
	<u>24,980</u>	<u>160,049</u>	<u>248,000</u>	<u>227,333</u>	<u>(67,285)</u>
Lending					
Allowance For Loan Losses	447,834	555,784	100,000	100,000	455,784
Loan Capital Interest	1,641	18,327	26,000	23,833	(5,506)
Brownfield Loan Capital Grants	9,634	9,634	0	0	9,634
Professional Fees & Misc.	9,969	24,078	60,500	55,458	(31,380)
	<u>469,078</u>	<u>607,823</u>	<u>186,500</u>	<u>179,292</u>	<u>428,532</u>
Projects					
AgriTech Park	12,761	142,998	196,458	180,087	(37,088)
AgriTech Park TIF Reimbursement	0	153,755	315,000	157,500	(3,745)
Brownfield Assessment	0	218,997	236,267	216,578	2,419
Yes for Cascade County Jobs	0	0	0	0	0
	<u>12,761</u>	<u>515,750</u>	<u>747,725</u>	<u>554,165</u>	<u>(38,414)</u>
Total Expense	621,309	2,610,363	2,677,794	2,331,728	278,635
Net Income	(454,291)	(61,691)	659,864	225,839	(287,530)
Less Loan Capital Grants	(22,831)	(620,520)	(1,051,267)		
Operating Deficit	(477,122)	(682,212)	(391,403)		

GFDA CASH BALANCES
May 31, 2020

	5/31/20	6/30/19
Unrestricted Cash		
Bank Accounts		
Operating - First Interstate Bank 8023	150,042.76	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	1,162,298.92	1,007,771.85
	1,313,969.11	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	226	
Day Operating Cash Objective	180	
	1,047,350.47	
Surplus (Deficit) Operating Cash	266,618.64	
 Restricted Cash		
Programs		
SBDC	7,205.92	
EDA RLF	839,395.39	
EPA Assessment - First Interstate Bank 3008	46.26	
EPA RLF	867,625.07	
CDBG - City EDA RLF	44,746.27	
CDBG - Cascade County RLF	38,621.55	
Downtown RLF	145,126.08	
CDBG - City RLF	184,563.81	
MicroBusiness RLF	90,703.80	
IRP RLF	77,758.79	
	2,295,792.94	