

GFDA Financial Report June 2020

7/17/20 (Financials as of June 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

GFDA produced positive net income for FY 2020 of \$221,570, marking the 10th consecutive year of positive net income. Before the past decade, GFDA incurred losses in six of the seven prior fiscal, so we should celebrate that our business model is working better, though we still have significant challenges in funding our expanded economic development scope of work.

The year end results were helped by earning the second tranche of \$150,000 from the 2019 CDFI financial award and drawdown of EPA revolving loan funds. It was also helped by a \$78,734 reduction in loan loss allowance booked at year end after a review of our entire loan portfolio. And, our investors wrote checks totaling \$40,525 in June that certainly helped!

The biggest change in assets during the year was a substantial increase in cash restricted for loans and grants resulting from significant loan payoffs during the last quarter. Current liabilities decreased by over \$400,000 as the result of the extension of the MicroBusiness Fund \$500,000 loan for another five years. Liabilities include the \$191,398 PPP loan that we expect to earn forgiveness of in FY 2021.

Total revenue came in \$266,100 under budget. Investment was \$75,790 under budget and \$21,383 less than FY 2019. However, investment was \$8,311 above the 10 year average (not including city or county investment). Generated revenue was \$9,694 under budget, in part because we drew down less than budgeted for brownfield assessment. Those funds will roll over into FY 2021. Loan capital came in \$180,615 under budget due entirely to EPA brownfield loan funds that will roll into FY 2021.

Expenses came in \$172,195 over budget, due entirely to loan loss allowance expense that was \$377,050 over budget. Staff expense was \$953 over budget, operations \$43,876 under budget, business development \$72,272 under budget, and projects \$63,829 under budget.

We ended the fiscal year with 204 days of unrestricted cash available for operations.

The City of Great Falls made the second TIF reimbursement of the fiscal year during June for the AgriTech Park first phases of infrastructure. The payment of \$156,207 was distributed to the tenants and we made another paydown on our infrastructure loan. During FY 2020 we paid the loan balance down by \$12,411, ending at \$127,688. A major portion of the tenant reimbursements, \$89,743.70, come back to us as loan payments which boosts our available loan capital. We have now been reimbursed a total of \$877,997 of the \$4,526,012 invested in the Park's infrastructure, 19.4%.

Three events have occurred to date in July that bode well for our financial condition. We were awarded and signed the contracts for two state CARES Act grants totaling \$18,189 that were not included in our FY 2021 budget. On July 16th, a forbearance agreement for the Pardue Grain loans was signed by the borrower, guarantors and GFDA. We forgave six months of interest, all late fees, and legal expenses, all of which are included in the FY 2020 results. Our loan principal of \$850,000 and 45,281.52 of accrued interest remain in place in a \$895,281.52 loan secured by a second mortgage position on the farm. The loan has a three year term at 4% interest rate. Loan loss allowance expense remains at 75% of these loans, though we may decide later in FY 2021 that it is safe to reduce this.

We expect to recommend amendment of our FY 2021 budget in August to adjust the projected income on the EPA brownfield assessment and revolving loan fund grants. During June, we received written extensions of the EPA brownfield RLF grant and the Montana Pulse Committee travel funds, both of which were assumed in our budget.

GFDA Balance Sheet
June 30, 2020

	June 30, 2020	June 30, 2019
Current Assets		
Cash and Cash Equivalents	\$ 1,188,789	\$ 1,248,863
Cash Restricted For Loans and Grants	2,416,984	559,810
Accounts Receivable	191,009	24,671
AgriTech TIF Receivable	0	140,099
Accrued Interest Receivable	102,012	47,827
Current Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$119,263)	2,883,220	2,075,863
 Total Current Assets	 6,782,015	 4,097,133
 AgriTech TIF Receivable - Long-Term Assets	 127,688	 0
 Office Furniture and Equipment - Net	 84,022	 98,388
 Noncurrent Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$1,216,262)	 4,337,597	 6,900,354
 Total Assets	 \$ 11,331,322	 \$ 11,095,875
 Current Liabilities		
Accounts Payable	\$ 18,530	\$ 50,814
Accrued Liabilities	176,868	138,624
Current Portion of Notes Payable	160,611	653,323
First Interstate Bank PPP Loan #1870-0	84,178	0
Deferred Grant Revenues	0	23,852
Funds Held in Trust	11,640	9,689
Due To High Plains Financial, Inc.	(10,544)	(6,527)
 Total Current Liabilities	 441,283	 869,776
 Noncurrent Notes Payable		
MDOC - Microloan Note Payable	500,000	0
USDA-IRP	373,088	400,960
MBOI-IRP	89,662	95,393
First Interstate Bank PPP Loan #1870-0	107,220	0
First Interstate Bank Loan-#2372	26,724	74,275
First Interstate Bank Loan-#628	142,710	226,407
 Total Noncurrent Liabilities	 1,239,403	 797,034
 Total Liabilities	 1,680,687	 1,666,810
 Net Assets		
Beginning of Year	9,429,065	9,214,332
Increase (Decrease) in Net Assets - Current Year	221,570	214,733
 Total Net Assets	 9,650,635	 9,429,065
 Total Liabilities and Net Assets	 \$ 11,331,322	 \$ 11,095,875

GFDA INCOME/EXPENSE
June 30, 2020

12

	June 2020	Total Through 06-30-20	Operating Budget		Over (Under) Budget
			Total	Prorated Thru 06-30-20	
REVENUE					
Investment	\$ 40,525	449,210	\$ 525,000	\$ 525,000	\$ (75,790)
GENERATED REVENUE					
AgriTech Park	0	0	0	0	0
AgriTech Park City TIF Reimbursement	156,207	309,962	315,000	315,000	(5,038)
BID	3,144	18,697	24,500	24,500	(5,803)
FADC, PTAC, SBDC & SBDC CARES	30,161	279,762	250,819	250,819	28,943
HPF Management	5,000	47,000	60,000	60,000	(13,000)
Lending Interest & Fees	40,836	587,576	580,000	580,000	7,576
Project Grants	32,890	489,654	516,072	516,072	(26,418)
Client Grant Management	0	0	0	0	0
Events and Miscellaneous	0	4,046	0	0	4,046
Sponsorship	0	15,000	15,000	15,000	0
	<u>268,238</u>	<u>1,751,697</u>	<u>1,761,391</u>	<u>1,761,391</u>	<u>(9,694)</u>
Loan Capital Grants	<u>240,498</u>	<u>870,652</u>	<u>1,051,267</u>	<u>1,051,267</u>	<u>(180,615)</u>
	240,498	870,652	1,051,267	1,051,267	(180,615)
Total Revenue	549,261	3,071,558	3,337,658	3,337,658	(266,100)
EXPENSE					
Staff					
Salaries and Wages	89,681	912,114	909,900	909,900	2,214
Payroll Expenses & Benefits	22,175	254,068	254,769	254,769	(701)
Professional Development	191	44,439	45,000	45,000	(561)
	<u>112,048</u>	<u>1,210,622</u>	<u>1,209,669</u>	<u>1,209,669</u>	<u>953</u>
Operations					
Auto	899	10,433	10,400	10,400	33
Communication	1,333	18,228	25,000	25,000	(6,772)
Depreciation	2,475	26,652	28,000	28,000	(1,348)
Insurance	0	15,958	19,000	19,000	(3,042)
Meetings	124	14,096	25,000	25,000	(10,904)
Office	6,181	71,167	71,000	71,000	167
Operating Debt Interest & Fees	1,049	14,822	22,000	22,000	(7,178)
Professional Fees	61	32,420	40,000	40,000	(7,580)
Supplies, Computing & Copying	585	24,140	30,000	30,000	(5,860)
Miscellaneous	539	14,109	15,500	15,500	(1,391)
	<u>13,245</u>	<u>242,024</u>	<u>285,900</u>	<u>285,900</u>	<u>(43,876)</u>
Business Development					
Marketing	6,000	42,259	51,000	51,000	(8,741)
Memberships & Subscriptions	5,973	80,992	60,000	60,000	20,992
Professional Fees	450	20,371	50,000	50,000	(29,629)
Publications	456	2,735	2,000	2,000	735
Travel	361	29,371	85,000	85,000	(55,629)
	<u>13,240</u>	<u>175,729</u>	<u>248,000</u>	<u>248,000</u>	<u>(72,272)</u>
Lending					
Allowance For Loan Losses	(78,734)	477,050	100,000	100,000	377,050
Loan Capital Interest	1,641	19,968	26,000	26,000	(6,032)
Brownfield Loan Capital Grants	0	9,634	0	0	9,634
Professional Fees & Misc.	6,989	31,067	60,500	60,500	(29,433)
	<u>(70,105)</u>	<u>537,718</u>	<u>186,500</u>	<u>186,500</u>	<u>351,218</u>
Projects					
AgriTech Park	11,940	154,938	196,458	196,458	(41,520)
AgriTech Park TIF Reimbursement	156,207	309,962	315,000	315,000	(5,038)
Brownfield Assessment	0	218,997	236,267	236,267	(17,270)
Yes for Cascade County Jobs	0	0	0	0	0
	<u>168,146</u>	<u>683,896</u>	<u>747,725</u>	<u>747,725</u>	<u>(63,829)</u>
Total Expense	236,575	2,849,989	2,677,794	2,677,794	172,195
Net Income	312,686	221,570	659,864	659,864	(438,294)
Less Loan Capital Grants	(240,498)	(861,018)	(1,051,267)		
Operating Deficit	72,188	(639,448)	(391,403)		

GFDA CASH BALANCES
June 30, 2020

	6/30/20	6/30/19
Unrestricted Cash		
Bank Accounts		
Operating - First Interstate Bank 8023	149,819.99	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	1,037,341.79	1,007,771.85
	<hr/>	<hr/>
	1,188,789.21	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	-	
	<hr/>	
Operating Budget	2,123,794.00	
Daily Operating Expense (365 days)	5,818.61	
Days Unrestricted Operating Cash	204	
Day Operating Cash Objective	180	
	<hr/>	
	1,047,350.47	
Surplus (Deficit) Operating Cash	141,438.74	
 Restricted Cash		
Programs		
SBDC	5,021.99	
EDA RLF	853,205.23	
EPA Assessment - First Interstate Bank 3008	46.26	
EPA RLF	977,991.33	
CDBG - City EDA RLF	41,746.65	
CDBG - Cascade County RLF	39,570.13	
Downtown RLF	145,137.35	
CDBG - City RLF	183,177.30	
MicroBusiness RLF	93,049.90	
IRP RLF	78,038.06	
	<hr/>	
	2,416,984.20	