

GFDA Financial Report June 2021

7/23/21 (Financials as of June 30, 2021)

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

	As of 6/30/21	As of 6/30/20	Difference	
Net Income Fiscal Year to Date	3,987,221	221,570	3,765,651	
Revenue Above (Below) Prorated Budget	(761,908)	(266,100)	(495,808)	
Expenses Above (Below) Prorated Budget	(1,087,942)	172,195	(1,260,137)	
Days Unrestricted Operating Cash	209	204	5	Minimum Target: 180
Investment Paid Fiscal Year to Date	412,324	449,210	(36,886)	
Investment Paid % of Budget	97%	86%	11%	

FY 2021 was a remarkable financial year for GFDA. We weathered the risks and challenges posed by the economic turmoil of the pandemic, took advantage of one-time funding opportunities, and stepped up our economic development efforts across the board.

In June we added capitalization of our office lease to the balance sheet, booking \$1,118,313 as an asset and a liability. This is required by GAAP rules coming into effect. Management chose to assume GFDA will exercise the 10-year option extension in the lease.

In FY 2021, assets increased 47%. Net assets grew 41%. We ended the fiscal year with an outstanding loan portfolio 47% larger than at year start, an increase of \$4,021,644. Revenue and expenses totaled less than budget, due mostly to lower the projected City TIF reimbursement and loan capital draws.

Revenue was \$761,908 under budget. Most of this was the result of our drawing \$512,460 less in loan capital from the new EDA COVID RLF than we had projected. We'll draw these funds during FY 2022. We also collected \$93,405 less in AgriTech Park TIF revenue than we had projected. Our agreement with the City of Great Falls is that we receive 85% of the property tax revenue captured by the TIF and that is exactly what we received. We drew \$32,773 less than projected on the Brownfield Assessment grant and \$4,019 less on the Brownfield RLF. We'll draw those funds in FY 22. If you take all of these into account, total revenue was \$119,251 less than projected.

Expenses were \$1,087,942 under budget. A big portion of this was the result of a \$226,150 credit toward Allowance for Loan Losses, resulting in us coming in \$626,150 under budget for this item. Risk rating of our portfolio resulted in an across the board lowering of loan loss allowance to 8.0% for every loan fund. Corresponding to the lower revenue numbers, TIF reimbursement expense was \$93,405 under budget and brownfield assessment expenses \$40,020 under budget. If you take these into account, expenses were \$328,367 under budget. We saved \$207,480 in staff expenses, \$45,867 in business development, and \$44,927 on talent attraction.

Our operating deficit amounted to \$113,538, far better than the budget projection of a deficit of \$948,533.

Unrestricted operating days cash ended at 209 days, above our minimum target of 180 days. Management plans to work in FY 2022 to increase this toward 365 days.

Staff held a pre-audit meeting with our independent auditors on July 20. The Executive Committee held its pre-audit meeting on July 21. Audit work is scheduled for early August.

GFDA Balance Sheet
June 30, 2021

	June 30, 2021	June 30, 2020
	<u> </u>	<u> </u>
Current Assets		
Cash and Cash Equivalents	\$ 1,570,399	\$ 1,188,789
Cash Restricted For Loans and Grants	2,116,563	2,416,984
Accounts Receivable	103,246	191,009
Accrued Interest Receivable	71,595	102,012
Due from High Plains Financial	733	10,544
Current Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$56,538)	<u>2,820,338</u>	<u>2,883,220</u>
Total Current Assets	6,682,874	6,792,559
AgriTech TIF Receivable - Long-Term Assets	110,841	127,688
Lease Right-of-Use	1,118,313	0
Office Furniture and Equipment - Net	66,104	84,022
Noncurrent Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$1,052,837)	8,648,273	4,337,597
	<u> </u>	<u> </u>
Total Assets	<u>\$ 16,626,405</u>	<u>\$ 11,341,866</u>
	<u> </u>	<u> </u>
Current Liabilities		
Accounts Payable	\$ 12,819	\$ 18,530
Accrued Liabilities	119,911	144,915
Current Portion of Notes Payable	146,878	160,611
Lease-Portage Building	62,769	0
First Interstate Bank PPP Loan #1870-0	0	84,178
Deferred Grant Revenues	0	0
Funds Held in Trust	<u>14,140</u>	<u>11,903</u>
Total Current Liabilities	356,517	420,137
Noncurrent Notes Payable		
MDOC - Microloan Note Payable	500,000	500,000
Enterprise Fund - CDFI 2020FA	280,975	0
MBOI-IRP-CDFI Match loan	280,975	0
USDA-IRP	344,980	373,088
MBOI-IRP	83,816	89,662
Lease-Portage Building	1,055,544	0
First Interstate Bank PPP Loan #1870-0	0	107,220
First Interstate Bank Loan-#2372	0	26,724
First Interstate Bank Loan-#628	<u>54,052</u>	<u>142,710</u>
Total Noncurrent Liabilities	2,600,343	1,239,403
Total Liabilities	2,956,859	1,659,541
Net Assets		
Beginning of Year	9,682,325	9,440,255
Increase (Decrease) in Net Assets - Current Year	<u>3,987,221</u>	<u>242,070</u>
Total Net Assets	<u>13,669,546</u>	<u>9,682,325</u>
	<u> </u>	<u> </u>
Total Liabilities and Net Assets	<u>\$ 16,626,405</u>	<u>\$ 11,341,866</u>
	<u> </u>	<u> </u>

GFDA INCOME/EXPENSE
June 30, 2021

12	June 2021	FY Total Through 06/30/2021	FY 2021 Budget	% of Budget Fiscal Year to Date	FY 2021 Prorated Through 6/30/21	Over (Under) Budget
REVENUE						
Investment	11,075	412,324	425,000	97%	425,000	(12,676)
GENERATED REVENUE						
AgriTech Park	0	0	0	#DIV/0!	0	0
AgriTech Park TIF Reimbursement	159,215	420,732	514,137	82%	514,137	(93,405)
BID	3,307	38,156	38,500	99%	38,500	(344)
FADC, PTAC & SBDC						
Food & Ag Development Center	5,417	65,000	65,000	100%	65,000	(0)
Procurement Tech Assistance	5,038	67,095	74,000	91%	74,000	(6,905)
Small Business Dev Center	13,585	133,290	129,117	103%	129,117	4,173
SBDC COVID	11,336	131,664	121,882	108%	121,882	9,782
SBDC Program Income	0	1,641	5,000	33%	5,000	(3,359)
<i>FADC, PTAC & SBDC Total</i>	35,376	398,690	394,999	101%	394,999	3,691
HPF Management	0	24,000	66,000	36%	66,000	(42,000)
Lending Interest & Fees	46,656	504,023	607,600	83%	607,600	(103,577)
Project Grants						
State CARES Act Grants	0	178,189	168,189	106%	168,189	10,000
Brownfield Asses 2018	0	22,169	27,066	82%	27,066	(4,897)
Brownfield RLF	0	21,604	25,623	84%	25,623	(4,019)
Brownfield Assess FY21	19,383	47,227	80,000	59%	80,000	(32,773)
EDA COVID RLF Admin	22,699	206,100	182,917	113%	182,917	23,183
Montana Pulse Committee	0	0	0	0%	0	0
CDFI 2020 FA Award	0	56,404	56,404	100%	56,404	0
<i>Project Grants Total</i>	42,082	531,693	540,199	98%	540,199	(8,506)
Client Grant Management	0	2,250	0	#DIV/0!	0	2,250
Events and Miscellaneous	0	0	0	#DIV/0!	0	0
Sponsorship	0	5,000	5,000	100%	5,000	0
<i>Generated Revenue Total</i>	286,636	1,924,544	2,166,435	89%	2,166,435	(241,891)
PPP Loan Forgiveness	0	191,398	191,398	100%	191,398	0
Loan Capital Grants						
EDA COVID RLF	0	3,487,540	4,000,000	87%	4,000,000	(512,460)
Brownfield RLF	23,577	293,598	288,478	102%	288,478	5,120
CDFI 201FA Award	0	319,621	319,621	100%	319,621	0
<i>Loan Capital Grants Total</i>	23,577	4,100,759	4,608,099	89%	4,608,099	(507,340)
Total Revenue	321,287	6,629,024	7,390,932	90%	7,390,932	(761,908)
EXPENSE						
Staff						
Salaries and Wages	86,719	1,010,358	1,155,417	87%	1,155,417	(145,059)
Payroll Expenses & Benefits	24,782	294,986	326,653	90%	326,653	(31,667)
Professional Development	849	14,237	45,000	32%	45,000	(30,763)
	112,350	1,319,581	1,527,070	86%	1,527,070	(207,489)

GFDA INCOME/EXPENSE
June 30, 2021

	June 2021	FY Total Through 06/30/2021	FY 2021 Budget	% of Budget Fiscal Year to Date	FY 2021 Prorated Through 6/30/21	Over (Under) Budget
Operations						
Auto	899	10,789	10,800	100%	10,800	(11)
Communication	1,454	18,710	20,000	94%	20,000	(1,290)
Depreciation	2,962	29,304	28,000	105%	28,000	1,304
Fundraising	0	459	3,500	13%	3,500	(3,041)
Insurance	0	17,894	19,000	94%	19,000	(1,106)
Meetings & Events	15	7,951	15,500	51%	15,500	(7,549)
Office	5,881	73,996	73,000	101%	73,000	996
Operating Debt Interest & Fees	671	10,223	18,000	57%	18,000	(7,777)
Professional Fees	30,328	63,361	40,000	158%	40,000	23,361
Supplies, Computing & Copying	1,772	23,730	32,000	74%	32,000	(8,270)
Miscellaneous	1,444	32,117	16,500	195%	16,500	15,617
	45,425	288,534	276,300	104%	276,300	12,234
Business Development						
Marketing						
GFDA Events	0	0	16,200	0%	16,200	(16,200)
Conf & Trade Show Registrations	40	1,865	9,500	20%	9,500	(7,635)
Costar/Loopnet AgriTech Park	0	24,995	15,000	167%	15,000	9,995
SBDC COVID Marketing	160	10,130	5,800	175%	5,800	4,330
Advertising	150	3,315	12,000	28%	12,000	(8,685)
Marketing Materials	0	1,214	15,300	8%	15,300	(14,086)
	350	41,519	73,800	56%	73,800	(32,281)
Partnerships/Memberships						
Membership & Dues	4,018	26,657	22,600	118%	22,600	4,057
Partnerships	0	11,591	11,500	101%	11,500	91
Online System Subscriptions	9,975	66,975	38,400	174%	38,400	28,575
	13,993	105,222	72,500	145%	72,500	32,722
Professional Fees						
Content Providers	4,200	13,380	15,000	89%	15,000	(1,620)
Photography & Videography	2,483	25,633	35,000	73%	35,000	(9,367)
Web & Graphic Design	396	7,539	25,000	30%	25,000	(17,461)
Lead Generation	7,340	78,743	95,000	83%	95,000	(16,257)
	14,419	125,295	170,000	74%	170,000	(43,085)
Publications	52	1,772	3,000	59%	3,000	(1,228)
Travel						
Business Development	1,055	3,005	5,000	60%	5,000	(1,995)
Montana Pulse Committee Funds	0	0	0	0%	0	0
	1,055	3,005	5,000	60%	5,000	(1,995)
<i>Business Development Total</i>	29,869	276,813	324,300	85%	324,300	(45,867)

GFDA INCOME/EXPENSE

June 30, 2021

	June 2021	FY Total Through 06/30/2021	FY 2021 Budget	% of Budget Fiscal Year to Date	FY 2021 Prorated Through 6/30/21	Over (Under) Budget
Lending						
Allowance For Loan Losses	(433,760)	(226,150)	400,000	-57%	400,000	(626,150)
Loan Capital Interest	2,475	23,116	46,000	50%	46,000	(22,884)
Brownfield Loan Capital Grants	22,005	211,241	162,868	130%	162,868	48,373
Professional Fees & Misc.						
Legal	200	22,207	35,000	63%	35,000	(12,793)
Miscellaneous	2,357	9,164	6,000	153%	6,000	3,164
Online Loan Application System	35,300	35,300	10,000	353%	10,000	25,300
Brownfield RLF Engineering	0	10,929	18,000	61%	18,000	(7,071)
CDFI FA Application	0	11,000	12,000	92%	12,000	(1,000)
Update Lending Policies	7,500	7,500	15,000	50%	15,000	(7,500)
	<u>45,357</u>	<u>96,100</u>	<u>96,000</u>	<u>100%</u>	<u>96,000</u>	<u>100</u>
<i>Lending Total</i>	(363,923)	104,307	704,868	15%	704,868	(600,561)
Projects						
AgriTech Park						
TIF Reimbursement	159,215	420,732	514,137	82%	514,137	(93,405)
Property Taxes	4,358	45,901	52,358	88%	52,358	(6,457)
Interest on Infrastructure Loans	0	23,043	52,600	44%	52,600	(29,557)
Interest on Powerline Loan	140	2,644	8,100	33%	8,100	(5,456)
Legal	2,060	2,440	15,000	16%	15,000	(12,560)
Appraisal	0	0	5,000	0%	5,000	(5,000)
Engineering	0	1,122	10,000	11%	10,000	(8,878)
<i>AgriTech Park Total</i>	<u>165,773</u>	<u>495,882</u>	<u>657,195</u>	<u>75%</u>	<u>657,195</u>	<u>(161,313)</u>
Brownfield Assessment	18,706	58,613	98,633	59%	98,633	(40,020)
Talent Attraction						
Marketing Materials	290	3,340	6,000	56%	6,000	(2,660)
Website	200	23,440	25,000	94%	25,000	(1,560)
Photography & Videography	0	1,225	18,000	7%	18,000	(16,775)
Social Media Advertising	3,515	10,000	24,000	42%	24,000	(14,000)
Livability Ads	0	10,000	10,000	100%	10,000	0
Social Toaster subscription	0	0	0	0%	0	0
Get Back to Great Falls events	0	0	0	#DIV/0!	0	0
Marketing Firm	0	40,001	40,000	100%	40,000	1
Miscellaneous	580	10,067	20,000	50%	20,000	(9,933)
<i>Talent Attraction Total</i>	<u>4,585</u>	<u>98,073</u>	<u>143,000</u>	<u>69%</u>	<u>143,000</u>	<u>(44,927)</u>
<i>Projects Total</i>	189,065	652,569	898,828	73%	898,828	(246,259)
Total Expense	12,786	2,641,804	3,731,366	71%	3,731,366	(1,087,942)
Net Income	<u>308,502</u>	<u>3,987,221</u>	<u>3,659,566</u>	<u>109%</u>	<u>3,659,566</u>	<u>326,035</u>
Less Loan Capital Grants	23,577	4,100,759	4,608,099			
Operating Surplus (Deficit)	284,925	(113,538)	(948,533)			

GFDA CASH BALANCES
June 30, 2021

	6/30/21	6/30/20
Unrestricted Cash		
Bank Accounts		
Operating - First Interstate Bank 8023	18,605.78	149,819.99
AgriTech Park LLC - First Interstate Bank 7780	266.13	591.06
EDA RLF (defederalized)	1,967.73	NA
Enterprise - US Bank 4211	1,520.67	1,036.37
Enterprise - US Bank 6937	<u>1,548,038.51</u>	<u>1,037,341.79</u>
	1,570,398.82	1,188,789.21
 Less Enterprise Funds CDFI Restricted for Loans	 <u>(100,000.00)</u>	
	1,470,398.82	
 Days Unrestricted Operating Cash		
Annual Budget Expense	3,731,366.00	
Less Depreciation	(28,000.00)	
Less Allowance for Loan Losses	(400,000.00)	
Less AgriTech Park TIF Reimbursement	(514,137.00)	
Less AgriTech Park Loans Interest	(52,600.00)	
Less Brownfield Loan Capital Grants	<u>(162,868.00)</u>	
 Operating Budget	 2,573,761.00	
 Daily Operating Expense (365 days)	 7,051.40	
 Days Unrestricted Operating Cash	 209	
 Days Unrestricted Operating Cash Minimum Target	 180	
	1,269,252.00	
 Surplus (Deficit) Unrestricted Operating Cash to Target	 201,146.82	
 Restricted Cash		
Programs		
SBDC	8,753.41	5,021.99
EDA RLF	NA	853,205.23
EPA Assessment - First Interstate Bank 3008	780.68	46.26
EPA RLF	931,526.99	977,991.33
CDBG - Cascade County EDA RLF	63,668.37	39,570.13
Downtown RLF	1,798.11	145,137.35
City CDBG EDA RLF	NA	41,746.65
CDBG - City RLF	84,322.55	183,177.30
MicroBusiness RLF	167,911.92	93,049.90
IRP RLF	288,978.41	78,038.06
EDA COVID RLF	568,822.09	NA
	<u>2,116,562.53</u>	<u>2,416,984.20</u>