

## GFDA Financial Report June 2022

7/14/22 (Financials as of June 30, 2022)

*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 6/30/22	As of 6/30/21	Difference	Change
Assets	19,412,357	16,626,405	2,785,952	17%
Liabilities	4,164,754	2,956,859	1,207,895	41%
Net Assets	15,247,603	13,669,546	1,578,057	12%
Net Income Fiscal Year to Date	1,580,864	3,987,221	(2,406,357)	
Revenue Above (Below) Prorated Budget	363,491	(761,908)	1,125,399	
Expenses Above (Below) Prorated Budget	(456,843)	(1,087,942)	631,099	
Days Unrestricted Operating Cash	197	209	(12) Minimum Target:	180
Investment Paid Fiscal Year to Date	534,683	412,324	122,359	
Investment Paid % of Budget	126%	97%	29%	

We received the CDFI 2021 Financial Award grant and loan funds comprised of \$266,530 in grant funds and \$500,000 in long term loan funds. We closed the matching \$500,000 loan from the Montana Board of Investments and will draw those funds as needed to close loans. We are able to use \$39,980 of the grant funds for operations; the balance is restricted for lending of which \$176,530 must be deployed first in Poverty Persistent Counties which in our region is Blaine and Glacier Counties.

We received the \$50,000 grant from the Otto Bremer Trust which helped keep our days of unrestricted operating cash above our 180 day minimum.

We received the 8th TIF reimbursement from the City of Great Falls totaling \$152,319.43 for the AgriTech Park infrastructure. Reimbursements to date total \$1,642,245.12 with a balance left of \$2,883,766.89 that we hope to get reimbursed in future years. Of this reimbursement, \$62,313.88 went to Pacific Steel & Recycling, \$5,864.30 went to GFDA, and \$84,141.26 went to loan principal repayments on the loans we made to Pacific Steel and Montana Specialty Mills to fund infrastructure to their lots.

In FY 2022, we increased our outstanding loan portfolio by 23%, an increase of \$2,914,245. We undertook the quarterly portfolio risk review in June and decided to close the year with adjustments to bring each loan fund to an 8.0% loan loss allowance. This resulted in expensing \$130,250 in June. We expense loan loss allowance to more accurately reflect our assets. At 8.0% of outstanding loan portfolio, our loan loss allowance expensed totaled \$1,239,625 at the end of June. Note, we do not expect to lose this amount, but it is prudent lending practice to book allowances commensurate with loan risk. Our total CUMULATIVE principal loan loss since 1996 is less than 1.0% of the loans we have made, but at some point given our loan risk we will likely incur more losses.

Several loans of significant size were delinquent at the close of the year. The borrower failed to make payment to bring interest up to date as we had requested. Given the strong collateral security we have on the loans, we did not deem it appropriate to increase loan loss allowance for these loans. We are beginning the process of calling the loans.

Investment payments exceeded recent years with strong investor support; up 30% from FY2021 and \$109,683 above budget. This was our strongest investment year in over a decade. We had expected to receive about \$50,000 more before the close of the fiscal year which would have kept our days unrestricted operating cash above 200 days, but some investors had to reschedule payments to be made in the coming months as we certainly understand the challenges our investors face, particularly with workforce, inflation, and supply chain issues.

We have begun the audit process. Unaudited financials presented herein show an increase in net assets in FY2022 of \$1,578,057, an increase of 12%. Revenue came in \$363,491 or 8% above budget and expenses

**GFDA Balance Sheet**  
**June 30, 2022**

	June 30 2022	June 30, 2021
	<u>                    </u>	<u>                    </u>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 2,540,715	\$ 1,570,399
Cash Restricted For Loans and Grants	1,190,119	2,116,563
Accounts Receivable	110,127	103,246
Accrued Interest Receivable	296,675	71,595
Due from High Plains Financial	4,476	733
Current Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$32,563)	<u>2,865,908</u>	<u>2,820,338</u>
<b>Total Current Assets</b>	<b>7,008,020</b>	<b>6,682,874</b>
 AgriTech TIF Receivable - Long-Term Assets	 98,264	 110,841
 Lease Right-of-Use	 873,371	 913,688
 Office Furniture and Equipment - Net	 46,004	 66,104
 Noncurrent Portion of Loans Receivable (Net of Allowance for Doubtful Loans of \$1,207,062)	 <u>11,386,698</u>	 <u>8,648,273</u>
 <b>Total Assets</b>	 <b>\$ 19,412,357</b>	 <b>\$ 16,421,780</b>
	<u>                    </u>	<u>                    </u>
<b>Current Liabilities</b>		
Accounts Payable	\$ 94,112	\$ 12,819
Accrued Liabilities	136,326	119,910
Current Portion of Notes Payable	88,374	146,878
Lease-Portage Building	41,336	40,317
Deferred Grant Revenues	0	0
Funds Held in Trust	<u>12,097</u>	<u>14,140</u>
<b>Total Current Liabilities</b>	<b>372,245</b>	<b>334,064</b>
 Noncurrent Notes Payable		
MDOC - Microloan Note Payable	500,000	500,000
Enterprise Fund - CDFI 2020FA	280,975	280,975
Enterprise Fund - CDFI 211FA	500,000	0
MBOI-IRP-CDFI Match loan	280,975	280,975
USDA-IRP	316,592	344,980
MBOI-IRP	77,853	83,816
Cnote Group, Inc	1,001,276	0
Lease-Portage Building	834,838	876,178
First Interstate Bank Loan #628	<u>0</u>	<u>54,052</u>
<b>Total Noncurrent Liabilities</b>	<b>3,792,509</b>	<b>2,420,977</b>
 <b>Total Liabilities</b>	 <b>4,164,754</b>	 <b>2,755,041</b>
 <b>Net Assets</b>		
Beginning of Year	13,666,739	9,682,329
Increase (Decrease) in Net Assets - Current Year	<u>1,580,864</u>	<u>3,984,410</u>
<b>Total Net Assets</b>	<b>15,247,603</b>	<b>13,666,739</b>
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities and Net Assets</b>	<b>\$ 19,412,357</b>	<b>\$ 16,421,780</b>
	<u>                    </u>	<u>                    </u>

**GFDA INCOME/EXPENSE**  
**June 30, 2022**

	12	June	FY Total Through 6/30/22	FY 2022 Budget	% of Budget Fiscal Year to Date	FY 2022 Prorated	Over (Under) Budget
<b>REVENUE</b>							
Investment		12,692	534,683	425,000	126%	425,000	109,683
<b>GENERATED REVENUE</b>							
AgriTech Park		0	0	0	#DIV/0!	0	0
AgriTech Park TIF Reimbursement		146,455	314,092	514,137	61%	514,137	(200,045)
BID		2,917	35,001	35,000	100%	35,000	1
<b>FADC, PTAC &amp; SBDC</b>							
Food & Ag Development Center		6,827	72,417	65,000	111%	65,000	7,417
Specialty Crop Block Grant		5,476	32,854	0	#DIV/0!	0	32,854
Procurement Tech Assistance		6,427	75,227	77,000	98%	77,000	(1,773)
Small Business Dev Center		10,760	126,293	129,117	98%	129,117	(2,824)
SBDC COVID		7,305	76,301	35,000	218%	35,000	41,301
SBDC Program Income		0	3,236	5,000	65%	5,000	(1,764)
<i>FADC, PTAC &amp; SBDC Total</i>		36,794	386,327	311,117	124%	311,117	75,210
HPF Management		0	22,000	80,000	28%	80,000	(58,000)
Lending Interest & Fees		83,565	892,060	789,000	113%	789,000	103,060
<b>Project Grants</b>							
Brownfield RLF		0	0	0	#DIV/0!	0	0
Brownfield Assess FY21		3,650	131,536	100,000	132%	100,000	31,536
EDA COVID RLF Admin		0	232,899	240,000	97%	240,000	(7,101)
CDFI 211FA		39,980	39,980	0	#DIV/0!	0	39,980
CDFI Rapid Response		0	192,000	192,000	100%	192,000	0
<i>Project Grants Total</i>		43,629	596,414	532,000	112%	532,000	64,414
Client Grant Management		0	0	0	#DIV/0!	0	0
Events and Miscellaneous		22	26,617	0	#DIV/0!	0	26,617
Sponsorship		5,000	21,000	5,000	420%	5,000	16,000
<i>Generated Revenue Total</i>		318,383	2,293,512	2,266,254	101%	2,266,254	27,258
<b>Loan Capital Grants</b>							
EDA COVID RLF		0	902,460	902,550	100%	902,460	0
Brownfield RLF		0	0	0	#DIV/0!	0	0
CDFI 20211FA		226,551	226,551	0	#DIV/0!	0	226,551
CDFI Rapid Response		0	1,088,000	1,088,000	100%	1,088,000	0
<i>Loan Capital Grants Total</i>		226,551	2,217,011	1,990,550	111%	1,990,460	226,551
<b>Total Revenue</b>		<b>557,625</b>	<b>5,045,205</b>	<b>4,681,804</b>	<b>108%</b>	<b>4,681,714</b>	<b>363,491</b>
<b>EXPENSE</b>							
<b>Staff</b>							
Salaries and Wages		107,558	1,128,707	1,213,758	93%	1,213,758	(85,051)
Payroll Expenses & Benefits		26,702	307,649	355,288	87%	355,288	(47,639)
Professional Development		31,056	129,259	49,350	262%	49,350	79,909
		165,316	1,565,615	1,618,396	97%	1,618,396	(52,781)

**GFDA INCOME/EXPENSE**  
**June 30, 2022**

	June 2022	FY Total Through 6/30/22	FY 2022 Budget	% of Budget Fiscal Year to Date	FY 2022 Prorated	Over (Under) Budget
<b>Operations</b>						
Auto	899	10,789	11,124	97%	11,124	(335)
Communication	2,067	21,551	22,000	98%	22,000	(449)
Depreciation	3,597	32,293	28,840	112%	28,840	3,453
Fundraising	400	2,737	3,605	76%	3,605	(868)
Insurance	0	19,986	19,570	102%	19,570	416
Meetings & Events	88	5,028	15,965	31%	15,965	(10,937)
Office	4,048	47,890	75,190	64%	75,190	(27,300)
Operating Debt Interest & Fees	2,102	28,008	18,540	151%	18,540	9,468
Professional Fees	1,288	43,261	71,200	61%	71,200	(27,939)
Supplies, Computing & Copying	1,881	31,803	35,200	90%	35,200	(3,397)
Miscellaneous	180	25,419	17,500	145%	17,500	7,919
	16,551	268,767	318,734	84%	318,734	(49,967)
<b>Business Development</b>						
<b>Marketing</b>						
GFDA Events	2,100	13,715	18,000	76%	18,000	(4,285)
Conf & Trade Show Registrations	4,065	6,480	25,000	26%	25,000	(18,520)
Advertising	994	4,148	12,000	35%	12,000	(7,852)
Marketing Materials	5,934	13,292	25,000	53%	25,000	(11,708)
	13,093	37,636	80,000	47%	80,000	(42,364)
<b>Partnerships/Memberships</b>						
Membership & Dues	5,534	31,230	24,000	130%	24,000	7,230
Partnerships	0	10,000	9,500	105%	9,500	500
Women's Business Center	177	25,193	13,552	186%	13,552	11,641
Entrepreneur Mentor Network	0	0	5,000	0%	5,000	(5,000)
Online System Subscriptions	3,228	54,398	45,000	121%	45,000	9,398
	8,939	120,821	97,052	124%	97,052	23,769
<b>Professional Fees</b>						
Content Providers	0	0	20,000	0%	20,000	(20,000)
Client Services	0	3,720	0	#DIV/0!	0	3,720
Photography & Videography	0	22,051	25,000	88%	25,000	(2,949)
Web & Graphic Design	1,616	23,246	40,000	58%	40,000	(16,754)
Lead Generation	2,625	62,075	110,000	56%	110,000	(47,925)
	4,241	111,092	195,000	57%	195,000	(83,908)
Publications	264	1,453	3,000	48%	3,000	(1,547)
Travel	2,306	27,687	50,000	55%	50,000	(22,313)
<i>Business Development Total</i>	28,842	298,688	425,052	70%	425,052	(126,364)

**GFDA INCOME/EXPENSE**  
**June 30, 2022**

	June 2022	FY Total Through 6/30/22	FY 2022 Budget	% of Budget Fiscal Year to Date	FY 2022 Prorated	Over (Under) Budget
<b>Lending</b>						
Allowance For Loan Losses	130,250	130,250	200,000	65%	200,000	(69,750)
Loan Capital Interest	3,554	38,716	35,000	111%	35,000	3,716
Brownfield Loan Capital Grants	124,543	369,661	188,000	197%	188,000	181,661
Professional Fees & Misc.						
Legal	0	1,360	12,000	11%	12,000	(10,640)
Miscellaneous	350	6,936	6,000	116%	6,000	936
Online Loan Application System	0	0	7,000	0%	7,000	(7,000)
Brownfield RLF Engineering	0	0	0	#DIV/0!	0	0
CDFI FA Application	2,000	14,000	12,000	117%	12,000	2,000
Update Lending Policies	0	0	15,000	0%	15,000	(15,000)
	<u>2,350</u>	<u>22,296</u>	<u>52,000</u>	<u>43%</u>	<u>52,000</u>	<u>(29,704)</u>
<i>Lending Total</i>	260,697	560,923	475,000	118%	475,000	85,923
<b>Projects</b>						
<b>AgriTech Park</b>						
TIF Reimbursement	146,455	314,092	514,137	61%	514,137	(200,045)
Property Taxes	605	31,380	55,165	57%	55,165	(23,785)
Interest on Powerline Loan	568	1,047	1,700	62%	1,700	(653)
Legal	1,665	24,048	15,000	160%	15,000	9,048
Appraisal	0	22,500	21,000	107%	21,000	1,500
Engineering	0	34,233	10,000	342%	10,000	24,233
<i>AgriTech Park Total</i>	<u>149,293</u>	<u>427,300</u>	<u>617,002</u>	<u>69%</u>	<u>617,002</u>	<u>(189,702)</u>
<b>Brownfield Assessment</b>						
2020 Grant Engineering	2,780	119,741	95,000	126%	95,000	24,741
Grant Writing Consultant	0	0	6,000	0%	6,000	(6,000)
	<u>2,780</u>	<u>119,741</u>	<u>101,000</u>	<u>1</u>	<u>101,000</u>	<u>18,741</u>
<b>Strategic Planning</b>						
Housing Market Assessment	0	35,000	40,000	88%	40,000	(5,000)
Childcare Market Assessment	0	7,800	10,000	78%	10,000	(2,200)
Health/BioScience Strategy	0	25,000	0	#DIV/0!	0	25,000
COVID Industry Impact Report	0	7,905	0	0%	0	7,905
Compensation & Benefit Survey	0	6,000	0	0%	0	6,000
Strategic Planning	30,000	60,000	125,000	48%	125,000	(65,000)
	<u>30,000</u>	<u>141,705</u>	<u>175,000</u>	<u>81%</u>	<u>175,000</u>	<u>(33,295)</u>
<b>Talent Attraction</b>						
Marketing Materials	0	809	15,000	5%	15,000	(14,191)
Website	1,425	2,825	15,000	19%	15,000	(12,175)
Photography & Videography	0	166	20,000	1%	20,000	(19,834)
Social Media Advertising	2,465	45,599	36,000	127%	36,000	9,599
Livability Ads	5,000	15,000	10,000	150%	10,000	5,000
Marketing/Social Media Firms	0	9,200	55,000	17%	55,000	(45,800)
Miscellaneous	0	8,003	40,000	20%	40,000	(31,997)
<i>Talent Attraction Total</i>	<u>8,890</u>	<u>81,601</u>	<u>191,000</u>	<u>43%</u>	<u>191,000</u>	<u>(109,399)</u>
<i>Projects Total</i>	190,963	770,347	1,084,002	71%	1,084,002	(313,655)
<b>Total Expense</b>	662,370	3,464,341	3,921,184	88%	3,921,184	(456,843)
<b>Net Income</b>	<u>(104,744)</u>	<u>1,580,864</u>	<u>760,620</u>	<u>208%</u>	<u>760,530</u>	<u>820,334</u>
Less Loan Capital Grants	226,551	2,217,011	1,990,550			
Less Brownfield Cleanup Grants	124,543	369,661	188,000			
<b>Operating Surplus (Deficit)</b>	<u>(229,288)</u>	<u>1,211,203</u>	<u>572,620</u>			

## GFDA CASH BALANCES

June 30, 2022

	6/30/22	6/30/21
<b>Unrestricted Cash</b>		
<b>Bank Accounts</b>		
Operating - First Interstate Bank 8023	58,812.84	18,605.78
AgriTech Park LLC - First Interstate Bank 7780	7,305.97	266.13
EDA RLF (defederalized)	124,483.24	1,967.73
Enterprise - US Bank 4211	1,524.77	1,520.67
Enterprise - US Bank 6937	<u>2,348,588.02</u>	<u>1,548,038.51</u>
	2,540,714.84	1,570,398.82
<b>CDFI Fund Restrictions</b>		
2020 FA Poverty Persistent County Rapid Response Program	(100,000.00)	Closed \$30,000 loan in June that funded in July
2021 FA Poverty Persistent County	(104,276.00)	
2021 FA General Loans	(176,530.00)	
	(550,020.00)	
	<u>(930,826.00)</u>	
	1,609,888.84	
<b>Days Unrestricted Operating Cash</b>		
Annual Budget Expense	3,921,184.00	
Less Depreciation	(28,840.00)	
Less Allowance for Loan Losses	(200,000.00)	
Less AgriTech Park TIF Reimbursement	(514,137.00)	
Less Brownfield Loan Capital Grants	<u>(188,000.00)</u>	
Operating Budget	2,990,207.00	
Daily Operating Expense (365 days)	8,192.35	
Days Unrestricted Operating Cash	197	
Days Unrestricted Operating Cash Minimum Target	180	
	1,474,622.63	
Surplus (Deficit) Unrestricted Operating Cash to Target	135,266.21	
<b>Restricted Cash</b>		
<b>Programs</b>		
SBDC	2,296.18	8,753.41
EPA Assessment - First Interstate Bank 3008	284.02	780.68
EPA RLF	516,470.36	931,526.99
CDBG - Cascade County EDA RLF	73,915.48	63,668.37
Downtown RLF	15,132.91	1,798.11
CDBG - City RLF	173,924.45	84,322.55
MicroBusiness RLF	19,607.83	167,911.92
IRP RLF	313,240.07	288,978.41
EDA COVID RLF	75,247.47	568,822.09
	<u>1,190,118.77</u>	<u>2,116,562.53</u>