

## GFDA FY 2026 BUDGET

*Approved 7/10/25*

### Overview

A budget reflects an economic development organization's priorities, but not its mission or financial goals. Budget income projections are lower than our aspirational goals. GFDA's budget projections for FY 2026 (July 1, 2025 - June 30, 2026) continue our practice of conservative financial projections, estimating income low and expenses high. Management will continue its practice of controlling discretionary expenses until budget revenue assumptions come to fruition. We anticipate budget adjustments after the first quarter of the FY to reflect final FY 2025 financial results.

### Priorities

The budget supports aggressive efforts to implement GFDA's Economic Development Strategy.

Included in the budget are:

- Completion of recreation and entertainment market assessment
- Commissioning update to childcare market demand assessment (funded by grant received in FY2025)
- Management of Montana Defense Alliance and raising \$50,000 to support Alliance expenses
- Catalyst site redevelopment planning funded by existing EPA Brownfield Assessment grant

### Staff

- Assumes Downtown Business Development Officer and Accounting Assistant positions filled at start of fiscal year; do not create Defense Business Development Officer position.
- Assumes 2.9% COLA
- Includes \$100,000 merit salary increases and bonuses based on productivity growth

### Assumptions

- No AgriTech Park lot sales; continuation of farm lease
- Purchase of 42 acres of land for AgriTech Park; interest on 100% bank financing; note, land purchases are booked to balance sheet, not as expense
- No new loan capital other than what is already secured
- Draw \$750,000 on EPA Brownfield 2 RLF grant; \$500,000 for new loans and \$250,000 for new subgrants
- Draw \$1,000,000 on USDA MPILP 2 RLF grant for new loans
- Close \$8,100,000 total new loans at 1.0% commitment fee and 8.0% interest; 2-4 months interest
- Overall increase of loan portfolio of \$4,600,000; expense 8.0% loan loss allowance
- No revenue from managing High Plains Financial
- Renewal of SBDC of contract starting 1/1/26 and APEX starting 5/1/25; APEX already awarded
- Continued BID and City TIF 75% salary and fringe support of Downtown Business Development Officer
- Secure \$200,000 in new grants
- Renewal of Food & Ag Development Center contract with \$6,500 increase; already awarded
- No revenue from USDA REAP service contract; no SBDC program income; no event or sponsorship income

*Additional assumptions and details noted by line item.*

**GFDA FY 2026 BUDGET**
*Approved 7/10/25*

	<i>FY 2026 Budget</i>	<i>FY 2025 Budget</i>	<i>Difference</i>	<i>Percent Change</i>	
<b>REVENUE</b>					
GFDA Investment	500,000	550,000	(50,000)	-9%	
Defense Alliance Investment	50,000	-	50,000	#DIV/0!	Assumes renewed private sector support
<b>Generated Revenue</b>					
AgriTech Park	8,000	451,020	(443,020)	-98%	Farm lease; Assumes no new lot sales
AgriTech TIF Reimbursement	400,000	270,000	130,000	48%	Estimate (pass thru)
Downtown BDO	67,050	67,050	-	0%	
APEX, FADC, SBDC & SCBG	356,994	397,665	(40,671)	-10%	See Schedule
HPF Management	-	-	-	#DIV/0!	See Schedule
Lending Interest & Fees	1,529,000	1,343,900	185,100	14%	See Schedule
Project Grants	581,418	739,250	(157,832)	-21%	See Schedule
	2,942,462	3,268,885	(326,423)	-10%	
<b>Loan Capital Grants</b>					
	1,750,000	6,143,736	(4,393,736)	-72%	See Schedule
<b>Total Revenue</b>	<b>5,192,462</b>	<b>9,962,621</b>	<b>(4,770,159)</b>	<b>-48%</b>	
<b>EXPENSE</b>					
<b>Staff</b>					
Payroll	1,879,192	1,703,750	175,442	10%	
Taxes & Benefits	526,174	477,050	49,124	10%	at 28% of Payroll
Professional Development	120,000	85,000	35,000	41%	
	2,525,366	2,265,800	259,566	11%	
<b>Operations</b>					
Auto	12,000	12,000	-	0%	
Communication	30,000	28,000	2,000	7%	Phone, mail, delivery
Depreciation	25,000	25,000	-	0%	
Fundraising	5,000	5,000	-	0%	
Insurance	32,000	32,000	-	0%	
Meetings & Events	18,000	15,000	3,000	20%	
Office	52,000	52,000	-	0%	
Operating Debt Interest & Fees	42,000	55,000	(13,000)	-24%	
Professional Fees	70,000	70,000	-	0%	
Supplies, Computing & Copying	35,000	32,000	3,000	9%	
Miscellaneous	15,000	15,000	-	0%	
	336,000	341,000	(5,000)	-1%	
<b>Business Development</b>					
Marketing	155,000	205,000	(50,000)	-24%	See Schedule
Partnerships/Memberships	115,000	85,000	30,000	35%	See Schedule
Travel	125,000	110,000	15,000	14%	Exceeded budget in FY2025
	395,000	400,000	(5,000)	-1%	
<b>Lending</b>					
Allowance for Loan Losses	368,000	600,000	(232,000)	-39%	Assumes 8% of increased portfolio
Loan Capital Interest	118,592	93,576	25,016	27%	See Schedule
Brownfield Loan Capital Grants	250,000	338,200	(88,200)	-26%	Assumes \$250,000 in new sub-grants
Professional Fees & Misc.	132,500	112,500	20,000	18%	See Schedule
	869,092	1,144,276	(275,184)	-24%	
<b>Projects</b>					
AgriTech Park	185,000	87,000	98,000	113%	See Schedule
AgriTech TIF Reimbursement	400,000	270,000	130,000	48%	Equals TIF reimbursement revenue
Brownfield Assessment	155,000	155,000	-	0%	See Schedule
Montana Defense Alliance	40,000	-	40,000	#DIV/0!	Out of pocket expenses
Strategic Planning	80,000	237,644	(157,644)	-66%	See Schedule
	860,000	749,644	110,356	15%	
<b>Total Expense</b>	<b>4,985,457</b>	<b>4,900,720</b>	<b>84,737</b>	<b>2%</b>	
<b>NET INCOME</b>					
	207,005	5,061,901	(4,854,896)	-96%	
Less Loan Capital Grants	(1,750,000)	(6,143,736)			
Plus Depreciation	25,000	25,000			
Plus Loan Loss Allowance	368,000	600,000			
Plus Brownfield Cleanup Grants	250,000	338,200			
Operating Deficit	(899,995)	(118,635)			

**BUDGET SCHEDULES - INCOME**

Approved 7/10/25

	<i>FY 2026 Budget</i>	<i>FY 2025 Budget</i>	<i>Difference</i>	<i>Percent Change</i>	
FADC, PTAC & SBDC					
FADC	59,445	52,500	6,945	13%	Funding approved by state
FADC SCBG Staff	16,427	65,500	(49,073)	-75%	Assumes no new grant
APEX	139,122	137,665	1,457	1%	Contract renewal approved by DOD
SBDC	142,000	142,000	-	0%	Assumes 2025 CY contract extended to 2026
	356,994	397,665	(40,671)	-10%	
HPF Management					
Closing Fees	-	-	-	#DIV/0!	Assumes no fees charged from HPF
Servicing Fees	-	-	-	#DIV/0!	Assumes no fees charged from HPF
	-	-	-	#DIV/0!	
Lending					
Interest from Existing Loans	1,318,500	1,272,000	46,500	4%	Based on existing portfolio at FY start
Loan Commitment Fees	81,000	32,000	49,000	153%	Assumes \$8.1 million closed loans at 1.0%
Interest from New Loans	129,500	39,900	89,600	225%	Assumes \$8.1 million at 3-8% for 2-4 months interest
	1,529,000	1,343,900	185,100	14%	
Project Grants					
EPA RLF 2 Admin	98,500	98,500	-	0%	\$31,000 engineering; \$68,000 staff; \$5,000 travel
EPA Assessment	186,200	186,200	-	0%	\$75,000 task 4; \$80,000 assessments; \$36,000 admin
USDA MPILP 1	33,382	35,000	(1,618)	-5%	Grant Admin MPILP 1
USDA MPILP 2	33,336	100,000	(66,664)	-67%	Grant Admin MPILP #2
Downtown Mkt Assessment	-	25,000	(25,000)	-100%	Project completed in FY2025
EDA TA Mkt Studies	30,000	100,800	(70,800)	-70%	Finish Recreation & Entertainment Market Assessment
New Grants	200,000	100,000	100,000	100%	Assumes we will secure new project +/- capacity grants
CDFI FA	-	93,750	(93,750)	-100%	All funds drawn in FY2025
	581,418	739,250	(157,832)	-21%	
Loan Capital Grants					
EPA RLF 2	750,000	338,200	411,800	122%	Assumes \$500,000 in new loans + \$250,000 in sub-grants
CDFI FA	-	531,250	(531,250)	-100%	All funds drawn in FY2025
SSBCI 2.0	-	305,000	(305,000)	-100%	All funds drawn in FY2025
USDA MPILP 1	-	325,000	(325,000)	-100%	All funds drawn in FY2025
USDA MPILP 2	1,000,000	1,900,000	(900,000)	-47%	Assumes \$1,000,000 in new loans
Montana Big Sky RLF	-	530,000	(530,000)	-100%	All funds drawn in FY2025
Montana Tourism RLF	-	2,214,286	(2,214,286)	-100%	All funds drawn in FY2025
	1,750,000	6,143,736	(4,393,736)	-72%	

**BUDGET SCHEDULES - EXPENSE**

Approved 7/10/25

	<i>FY 2026 Budget</i>	<i>FY 2025 Budget</i>	<i>Difference</i>	<i>Percent Change</i>	
<b>Business Development</b>					
<i>Marketing</i>					
GFDA Events	20,000	25,000	(5,000)	-20%	
Conf & Trade Show Registrations	45,000	30,000	15,000	50%	Includes exhibiting at SelectUSA 2026 and several site selector events
Marketing, PR & Advertising	50,000	90,000	(40,000)	-44%	
Content Creation & Web Design	25,000	40,000	(15,000)	-38%	
Marketing Materials	15,000	20,000	(5,000)	-25%	
	155,000	205,000	(50,000)	-24%	
<i>Partnerships/Memberships</i>					
Memberships, Publications & Subscriptions	105,000	75,000	30,000	40%	Chambers and targeted industry trade organization memberships, online data systems, & publications
Partnerships	10,000	10,000	-	0%	
	115,000	85,000	30,000	35%	
<b>Loan Capital Interest</b>					
USDA IRP 1	2,590	3,166	(576)	-18%	
USDA IRP 2	333	-	333	#DIV/0!	
MBOI IRP 1	1,265	1,500	(235)	-16%	
MBOI IRP 2	333	-	333	#DIV/0!	
CNote	10,800	12,720	(1,920)	-15%	
CDFI FA 2020	4,800	4,800	-	0%	
MBOI CDFI FA 2020	5,320	5,640	(320)	-6%	
MDOC MBDC	13,750	13,750	-	0%	
MBOI CDFI FA 2021	5,600	10,000	(4,400)	-44%	
CDFI FA 2021	3,300	3,300	-	0%	
CDFI FA 2022	3,300	3,300	-	0%	
MBOI CDFI FA 2022	4,800	6,000	(1,200)	-20%	
Otto Bremer Trust	35,000	2,000	33,000	1650%	
US Bank	27,400	27,400	-	0%	
	118,592	93,576	25,016	27%	
<b>Lending Professional Fees &amp; Misc.</b>					
Legal	25,000	25,000	-	0%	
Miscellaneous	14,000	14,000	-	0%	Fees, etc.
Portfolio Management Systems	22,500	17,500	5,000	29%	Annual licenses
Brownfield Engineering	31,000	31,000	-	0%	Estimated use of EPA Brownfield RLF 2
CDFI Consultants	40,000	25,000	15,000	60%	Grant writing for 2 major applications
Lending Consultants	-	-	-	#DIV/0!	Assume no use of underwriting consultants
	132,500	112,500	20,000	18%	
<b>Projects</b>					
<i>AgriTech Park</i>					
Property Taxes	50,000	32,000	18,000	56%	
Bank Loan Interest	80,000	25,000	55,000	220%	Assumes \$420,000 loan ATP 42 acres
Legal	25,000	10,000	15,000	150%	Assumes work on potential sales
Professional Fees	25,000	15,000	10,000	67%	Engineering for potential sales
Miscellaneous	5,000	5,000	-	0%	
	185,000	87,000	98,000	113%	
<i>Brownfield Assessment</i>					
Assessment Engineering	80,000	80,000	-	0%	Assumed assessment expenses
Areawide Assessment	75,000	75,000	-	0%	Redevelopment Sites Project
	155,000	155,000	-	0%	
<i>Strategic Planning</i>					
Downtown Market Assessment	-	26,844	(26,844)	-100%	Completed in FY2025
Energy Market Assessment	-	60,000	(60,000)	-100%	Completed in FY2025
Childcare Market Assessment	20,000	20,000	-	0%	Grant received in FY2025
Recreation/Entertainment Mkt	60,000	80,000	(20,000)	-25%	
Transload/Logistics Mkt Assess.	-	20,800	(20,800)	-100%	Completed in FY2025
Rail Sites Assessment	-	30,000	(30,000)	-100%	Completed in FY2025
	80,000	237,644	(157,644)	-66%	