

GFDA FY 2027 BUDGET

Approved 6/4/26

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 2027 (July 1, 2026 - June 30, 2027) 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 2026 financial results.

Priorities

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

Included in the budget are:

- Defense industry market assessment, housing market assessment & impact investment fund feasibility
- Catalyst site redevelopment planning funded by existing EPA Brownfield Assessment grant

Staff

- Assumes addition of 1 FTE Project Manager
- Assumes Downtown Business Development Officer, APEX Accelerator Business Advisor and SBDC Business Advisor positions are filled by start of fiscal year.
- Assumes 3.5% COLA
- Includes \$100,000 merit salary increases and bonuses based on productivity growth

Assumptions

- Sale of lot 7 to Ponderosa Solutions; continuation of farm lease
- Sale of 185 acre lot in AgriTech Park and reduced land for farm lease
- No new loan capital other than what is already secured
- Draw \$1,666,781 on EPA Brownfield 2 RLF grant; \$1,000,000 for new loans and \$666,781 for new subgrants
- Draw \$1,100,000 on USDA MPILP 2 RLF grant for new loans
- Close \$8,200,000 total new loans at 1.0% commitment fee and 8.0% interest; 2-4 months interest
- Overall increase of loan portfolio of \$5,600,000; expense 7.0% loan loss allowance
- Renewal of SBDC of contract starting 1/1/27 and APEX starting 6/1/26
- Continued BID and City TIF 75% salary and fringe support of Downtown Business Development Officer
- Secure \$100,000 in new grants

Additional assumptions and details noted by line item.

GFDA FY 2027 BUDGET

6/4/26

| | <i>FY 2027 Budget</i> | <i>FY 2026 Budget</i> | <i>Difference</i> | <i>Percent Change</i> | |
|--------------------------------|---------------------------|---------------------------|-------------------|---------------------------|--|
| REVENUE | | | | | |
| GFDA Investment | 500,000 | 500,000 | - | 0% | |
| Central MT Defense Investment | 50,000 | 50,000 | - | 0% | |
| Generated Revenue | | | | | |
| AgriTech Park | 976,500 | 9,000 | 967,500 | 10750% | See Schedule |
| AgriTech TIF Reimbursement | - | 400,000 | (400,000) | -100% | Assumes bond refinancing |
| Downtown BDO | 67,050 | 67,050 | - | 0% | |
| APEX, FADC, SBDC & SCBG | 341,470 | 356,994 | (15,524) | -4% | See Schedule |
| HPF Management | 25,900 | - | 25,900 | #DIV/0! | See Schedule |
| Lending Interest & Fees | 1,619,680 | 1,529,000 | 90,680 | 6% | See Schedule |
| Project Grants | 445,260 | 581,418 | (136,158) | -23% | See Schedule |
| | <u>3,475,860</u> | <u>2,943,462</u> | <u>532,398</u> | <u>18%</u> | |
| Loan Capital Grants | <u>2,766,781</u> | <u>1,750,000</u> | <u>1,016,781</u> | <u>58%</u> | See Schedule |
| Total Revenue | 6,792,641 | 5,193,462 | 1,599,179 | 31% | |
| EXPENSE | | | | | |
| Staff | | | | | |
| Payroll | 2,103,250 | 1,879,192 | 224,058 | 12% | |
| Taxes & Benefits | 588,910 | 526,174 | 62,736 | 12% | at 28% of Payroll |
| Professional Development | 123,000 | 120,000 | 3,000 | 3% | |
| | <u>2,815,160</u> | <u>2,525,366</u> | <u>289,794</u> | <u>11%</u> | |
| Operations | | | | | |
| Auto | 12,000 | 12,000 | - | 0% | |
| Communication | 25,000 | 30,000 | (5,000) | -17% | 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 | 18,000 | - | 0% | |
| Office | 52,000 | 52,000 | - | 0% | |
| Operating Debt Interest & Fees | 40,000 | 42,000 | (2,000) | -5% | |
| Professional Fees | 50,000 | 70,000 | (20,000) | -29% | |
| Supplies, Computing & Copying | 35,000 | 35,000 | - | 0% | |
| Miscellaneous | 15,000 | 15,000 | - | 0% | |
| | <u>309,000</u> | <u>336,000</u> | <u>(27,000)</u> | <u>-8%</u> | |
| Business Development | | | | | |
| Marketing | 185,000 | 155,000 | 30,000 | 19% | See Schedule |
| Partnerships/Memberships | 115,000 | 115,000 | - | 0% | See Schedule |
| Travel | 125,000 | 125,000 | - | 0% | |
| | <u>425,000</u> | <u>395,000</u> | <u>30,000</u> | <u>8%</u> | |
| Lending | | | | | |
| Allowance for Loan Losses | 392,000 | 368,000 | 24,000 | 7% | Assumes 7% of increased portfolio |
| Loan Capital Interest | 204,532 | 118,591 | 85,941 | 72% | See Schedule |
| Brownfield Loan Capital Grants | 666,781 | 250,000 | 416,781 | 167% | Assumes \$666,781 in new sub-grants |
| Professional Fees & Misc. | 112,218 | 132,500 | (20,282) | -15% | See Schedule |
| | <u>1,375,531</u> | <u>869,091</u> | <u>506,440</u> | <u>58%</u> | |
| Projects | | | | | |
| AgriTech Park | 161,000 | 185,000 | (24,000) | -13% | See Schedule |
| AgriTech TIF Reimbursement | - | 400,000 | (400,000) | -100% | Assumes bond refinancing |
| Brownfield Assessment | 158,500 | 155,000 | 3,500 | 2% | See Schedule |
| Destination Busi Bootcamps | 15,000 | - | 15,000 | #DIV/0! | Paid out of MDOC grant funds received FY26 |
| Central MT Defense Coalition | 40,000 | 40,000 | - | 0% | Out of pocket expenses |
| Strategic Planning | 170,000 | 80,000 | 90,000 | 113% | See Schedule |
| | <u>544,500</u> | <u>860,000</u> | <u>(315,500)</u> | <u>-37%</u> | |
| Total Expense | 5,469,191 | 4,985,457 | 483,734 | 10% | |
| NET INCOME | | | | | |
| | <u>1,323,450</u> | <u>208,005</u> | <u>1,115,445</u> | <u>536%</u> | |
| Less Loan Capital Grants | (2,766,781) | (1,750,000) | | | |
| Plus Depreciation | 25,000 | 25,000 | | | |
| Plus Loan Loss Allowance | 392,000 | 368,000 | | | |
| Plus Brownfield Cleanup Grants | 666,781 | 250,000 | | | |
| Operating Deficit | (359,550) | (898,995) | | | |

BUDGET SCHEDULES - INCOME

6/4/26

| | <i>FY 2027 Budget</i> | <i>FY 2026 Budget</i> | <i>Difference</i> | <i>Percent Change</i> | |
|------------------------------|---------------------------|---------------------------|-------------------|---------------------------|--|
| AgriTech Park | | | | | |
| Land Sales (net) | 975,000 | - | 975,000 | #DIV/0! | Lot 7 and 185 acre parcel under agreement |
| Farm Lease | 1,500 | 9,000 | (7,500) | -83% | Reduced land area |
| | <u>976,500</u> | <u>9,000</u> | <u>967,500</u> | <u>10750%</u> | |
| FADC, PTAC & SBDC | | | | | |
| FADC | 60,348 | 59,445 | 903 | 2% | Funding approved by state |
| FADC SCBG Staff | - | 16,427 | (16,427) | -100% | No new grant |
| APEX | 139,122 | 139,122 | - | 0% | Assume FY27 June 26-May 27 No contract yet |
| SBDC | 142,000 | 142,000 | - | 0% | Assumes 2026 CY contract extended to 2027 |
| | <u>341,470</u> | <u>356,994</u> | <u>(15,524)</u> | <u>-4%</u> | |
| HPF Management | | | | | |
| Closing Fees | 6,100 | - | 6,100 | #DIV/0! | Assumes no fees charged from HPF |
| Servicing Fees | 19,800 | - | 19,800 | #DIV/0! | Assumes no fees charged from HPF |
| | <u>25,900</u> | <u>-</u> | <u>25,900</u> | <u>#DIV/0!</u> | |
| Lending | | | | | |
| Loan Officer Grant | 31,680 | - | 31,680 | #DIV/0! | Final year of Murdoch grant |
| Interest from Existing Loans | 1,167,000 | 1,318,500 | (151,500) | -11% | Based on existing portfolio at FY start |
| Loan Commitment Fees | 91,000 | 81,000 | 10,000 | 12% | Assumes \$9.1 million closed loans at 1.0% |
| Interest from New Loans | 330,000 | 129,500 | 200,500 | 155% | Assumes \$9.1 million at 3-8% for 2-4 months interest |
| | <u>1,619,680</u> | <u>1,529,000</u> | <u>90,680</u> | <u>6%</u> | |
| Project Grants | | | | | |
| EPA RLF 2 Admin | 98,500 | 98,500 | - | 0% | \$31,000 engineering; \$69,000 staff; \$4,000 travel |
| EPA Assessment | 186,760 | 186,200 | 560 | 0% | \$62,500 task 4; \$96,000 assessments; \$28,260 admin |
| USDA MPILP 1 | - | 33,382 | (33,382) | -100% | |
| USDA MPILP 2 | - | 33,336 | (33,336) | -100% | |
| EDA TA Mkt Studies | - | 30,000 | (30,000) | -100% | |
| Defense Market Assessment | 30,000 | - | 30,000 | #DIV/0! | MDOC MT-ORE-PL-25-31 Grant |
| Community Impact Grant | 30,000 | - | 30,000 | #DIV/0! | MDOC MT-ORE-PL-26-31 Grant |
| New Grants | 100,000 | 200,000 | (100,000) | -50% | Assumes we will secure new grants |
| | <u>445,260</u> | <u>581,418</u> | <u>(136,158)</u> | <u>-23%</u> | |
| Loan Capital Grants | | | | | |
| EPA RLF 2 | 1,666,781 | 750,000 | 916,781 | 122% | Assumes \$1 million in new loans & \$666,781 in sub-grants |
| USDA MPILP 2 | 1,100,000 | 1,000,000 | 100,000 | 10% | Assumes \$1,100,000 in new loans |
| | <u>2,766,781</u> | <u>1,750,000</u> | <u>1,016,781</u> | <u>58%</u> | |

BUDGET SCHEDULES - EXPENSE

6/4/26

| | FY 2027 Budget | FY 2026 Budget | Difference | Percent Change | |
|--|-------------------|-------------------|-----------------|-------------------|---|
| Business Development | | | | | |
| <i>Marketing</i> | | | | | |
| GFDA Events | 20,000 | 20,000 | - | 0% | |
| Conf & Trade Show Registrations | 45,000 | 45,000 | - | 0% | Includes exhibiting at SelectUSA 2027 and several site selector events |
| Marketing, PR & Advertising | 80,000 | 50,000 | 30,000 | 60% | Additional \$30,000 funded by MDOC capacity grant |
| Content Creation & Web Design | 25,000 | 25,000 | - | 0% | |
| Marketing Materials | 15,000 | 15,000 | - | 0% | |
| | <u>185,000</u> | <u>155,000</u> | <u>30,000</u> | <u>19%</u> | |
| <i>Partnerships/Memberships</i> | | | | | |
| Memberships, Publications & Subscriptions | 105,000 | 105,000 | - | 0% | Chambers and targeted industry trade organization memberships, online data systems, & publications |
| Partnerships | 10,000 | 10,000 | - | 0% | |
| | <u>115,000</u> | <u>115,000</u> | <u>-</u> | <u>0%</u> | |
| Loan Capital Interest | | | | | |
| USDA IRP 1 | 2,300 | 2,590 | (290) | -11% | |
| USDA IRP 2 | 333 | 333 | 0 | 0% | |
| MBOI IRP 1 | 1,215 | 1,265 | (50) | -4% | |
| MBOI IRP 2 | 333 | 333 | 0 | 0% | |
| CNote | 10,800 | 10,800 | - | 0% | |
| CDFI FA 2020 | 4,800 | 4,800 | - | 0% | |
| MBOI CDFI FA 2020 | 5,200 | 5,320 | (120) | -2% | |
| MDOC MBDC | 8,750 | 13,750 | (5,000) | -36% | |
| MBOI CDFI FA 2021 | 9,600 | 5,600 | 4,000 | 71% | |
| CDFI FA 2021 | 3,300 | 3,300 | - | 0% | |
| CDFI FA 2022 | 3,200 | 3,300 | (100) | -3% | |
| MBOI CDFI FA 2022 | 4,800 | 4,800 | - | 0% | |
| Otto Bremer Trust | 35,000 | 35,000 | - | 0% | |
| US Bank | 27,400 | 27,400 | - | 0% | |
| OFN | 47,500 | - | 47,500 | #DIV/0! | |
| MT Community Foundation | 40,000 | - | 40,000 | #DIV/0! | |
| | <u>204,532</u> | <u>118,591</u> | <u>85,941</u> | <u>72%</u> | |
| Lending Professional Fees & Misc. | | | | | |
| Legal | 25,000 | 25,000 | - | 0% | |
| Miscellaneous | 14,000 | 14,000 | - | 0% | Fees, etc. |
| Portfolio Management Systems | 22,218 | 22,500 | (282) | -1% | Annual licenses |
| Brownfield Engineering | 31,000 | 31,000 | - | 0% | Estimated use of EPA Brownfield RLF 2 |
| CDFI Consultants | 20,000 | 40,000 | (20,000) | -50% | Grant writing for 2 major applications |
| Lending Consultants | - | - | - | #DIV/0! | Assume no use of underwriting consultants |
| | <u>112,218</u> | <u>132,500</u> | <u>(20,282)</u> | <u>-15%</u> | |
| Projects | | | | | |
| <i>AgriTech Park</i> | | | | | |
| Property Taxes | 61,000 | 50,000 | 11,000 | 22% | |
| Bank Loan Interest | 60,000 | 80,000 | (20,000) | -25% | |
| Legal | 25,000 | 25,000 | - | 0% | Assumes work on new TIF agreement & sales |
| Professional Fees | 10,000 | 25,000 | (15,000) | -60% | Engineering for potential sales |
| Miscellaneous | 5,000 | 5,000 | - | 0% | |
| | <u>161,000</u> | <u>185,000</u> | <u>(24,000)</u> | <u>-13%</u> | |
| <i>Brownfield Assessment</i> | | | | | |
| Assessment Engineering | 96,000 | 80,000 | 16,000 | 20% | Assumed assessment expenses |
| Areawide Assessment | 62,500 | 75,000 | (12,500) | -17% | Redevelopment Sites Project |
| | <u>158,500</u> | <u>155,000</u> | <u>3,500</u> | <u>2%</u> | |
| <i>Strategic Planning</i> | | | | | |
| Childcare Market Assessment | - | 20,000 | (20,000) | -100% | |
| Recreation/Entertainment Mkt | - | 60,000 | (60,000) | -100% | |
| Defense Market Assessment | 80,000 | - | 80,000 | #DIV/0! | \$30,000 funded by MDOC grant |
| Housing Market Assessment | 30,000 | - | 30,000 | #DIV/0! | Funded by FHLB grant |
| Community Impact Investment | 60,000 | - | 60,000 | #DIV/0! | \$30,000 funded by MDOC grant |
| | <u>170,000</u> | <u>80,000</u> | <u>90,000</u> | <u>113%</u> | |