MONTANA FACILITY FINANCE AUTHORITY
Board Meeting

The Pollard Hotel
2 Broadway Ave. N, Red Lodge, MT

June 18, 2024

"Enhance Montana healthcare and community capabilities through access to cost-effective capital financing and development services."

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Board Meeting
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Pollard Hotel
Red Lodge, MT

MEETING AGENDA

10:00 **I. CALL TO ORDER**
- A. Roll Call
- B. Approval of Meeting Minutes (4/23)
- C. Disclosure of Conflict of Interest

II. PUBLIC COMMENT on Board Related Items

III. FINANCINGS

St. John's United
1. Resolution No. 24-04
   Joining in Person:
   David Trost, CEO – St. John's United
   Jerry Pearsall, CFO – St. John's United

Lochsa Labs
1. Resolution No. 24-05
   Joining in Person:
   Nathan Bilyeu, Bond Counsel – Jackson, Murdo & Grant

IV. GENERAL ADMINISTRATIVE

11:00 **A. Strategic Planning**
Joining Virtually:
Sarah Bartow, Agency Performance Advisor – MT Dept of Admin
Adam Carpenter, Chief Data Officer – MT Dept of Admin

B. Intermediary Relending Program
Resolution 24-06

C. Policy Updates
1. Intermediary Relending Program
2. Direct Loan Program
3. Revenue and Reserve
4. Internal Controls Policy

D. Financials
1. Budget -v- Actual
2. Reserve Balances
3. Staff Approved Loans & Grants
4. Revenue Graph

E. Miscellaneous
1. Outreach & Marketing Report
2. Anticipated Financings

1:00 **DISMISS**

MICROSOFT TEAMS INSTRUCTIONS
Conference Link
Meeting ID: 296 498 249 518
Password: d3WKx5
OR
Dial by Telephone: +1 406-318-5487
Meeting ID: 610-654-348#

MONTANA FACILITY FINANCE AUTHORITY
Board Meeting
April 23, 2024
9:00 A.M.

MINUTES

BOARD MEMBERS PRESENT:

Craig Anderson
JoAn Cuffe
John Iverson
William Northey
Vu Pham
Mel Reinhardt (via phone)

BOARD MEMBERS ABSENT:

Jade Goroski

STAFF PRESENT:

Adam Gill, Executive Director
Seth Lutter, Associate Director
Monica Birlut, Accountant
Carolyn Jones, C-PACE Program Manager

GUESTS:

Nathan Bilyeu, Authority Counsel – Jackson, Murdo & Grant
Sarah Bartow, Agency Performance Advisor – MT Dept of Admin
Therese Simpson, Business Analyst – MT Dept of Admin
Adam Carpenter, Chief Data Officer – MT Dept of Admin

BOARD MEETING

CALL TO ORDER

Board Chair Vu Pham called the April 23, 2024, board meeting of the Montana Facility Finance Authority (the "Authority") to order at 9:00 A.M. The meeting convened with all but one member of the Board present.

<u>Minutes</u>

Board Member Craig Anderson moved for approval of the February 7, 2024, board meeting minutes. Board Member William Northey seconded the motion which passed unanimously.

<u>Conflict of Interest</u>

Board Chair Pham mentioned his potential conflict of interest with Sisters of Charity of Leavenworth Health Systems, Inc. TEFRA discussion and stated he would abstain from voting.

PUBLIC COMMENT

The meeting was opened for public comment. *No comments were received.*

FINANCINGS

Mr. Gill provided information on the following financing for board deliberation:

Sisters of Charity of Leavenworth Health Systems, Inc. TEFRA Authorization

Mr. Gill mentioned that Sisters of Charity of Leavenworth Health Systems, Inc.is planning on seeking up to $869 million in bonds to construct a new facility for St. Vincent's in Billings and improvements to Holy Rosary Hospital in Miles City. Sisters of Charity currently plans on pursuing this via up to three bond issuances spread out over multiple years. The first tranche of the project is up to $50 million, the second tranche expected in 2026 will cover most, if not all of the remaining balance with a possible third tranche in 2028.

The first $50 million is being issued through the Colorado Health Facilities Authority and they have asked us to provide the TEFRA hearing for that issuance. This is not a common event. The reasoning for this is that they want to have the ability to spend $50 million in Montana, but the flexibility to not spend it on this bond issuance if the project is delayed. This allows them to allocate the funds to other Colorado projects under the current bonds they are issuing if they cannot spend the whole $50 million within three years.

Nathan Bilyeu described Resolution 24-02. Board Chair Pham requested a motion for approval of the amendment to the financing resolution. Board Member Northey motioned for approval of the amendment to the financing resolution. Board Member Anderson seconded the motion which passed with Board Chair Pham abstaining in accordance with his disclosure of conflict of interest.

Holt Sales Services, LLC

Mr. Gill introduced Inducement Resolution 24-03 pertaining to Holt Sales Services, LLC and its intent on pursuing an Industrial Development Bond (IDB). Mr. Gill described the project which will allow Holt Sales Services, LLC to expand its production of vehicle bumper manufacturing in Kalispell, MT.

Board Chair Pham requested a motion for approval of the financing resolution. Board Member Northey motioned for approval of the financing Resolution 24-03. Board Member JoAn Cuffe seconded the motion which passed unanimously.

GENERAL ADMINISTRATIVE

Financials

Mr. Gill presented the Budget-v-Actual results and the Reserve Balances. Mr. Lutter discussed Staff Approved Loans and Grants and presented the Revenue Graph.

Intermediary Relending Program
Mr. Gill presented the update on the Intermediary Relending Program and expected outcomes from creating a new loan program within the MFFA.

C-PACE Rate Update
Mr. Gill presented the update on C-PACE financings within Montana allowing for a variable rate reset period approved by Montana Department of Revenue and individual counties. Yellowstone County had currently approved the use of variable rate resets. Updated guidelines are being developed and will reflect the new ability to use variable rates.

Outreach and Marketing & Anticipated Financings

Mr. Gill and Mr. Lutter presented the anticipated financings the MFFA is actively working on including marketing initiatives presented by Mrs. Carolyn Jones.

SPECIAL PURPOSE TOPICS

Strategic Planning

Mr. Gill introduced Sarah Bartow, Agency Performance Advisor – MT Dept of Admin, Therese Simpson, Business Analyst – MT Dept of Admin, and Adam Carpenter, Chief Data Officer – MT Dept of Admin who discussed the upcoming process for MFFA's strategic planning development. The board and staff then discussed and added to a MFFA specific SWOT analysis and provided discussion points for future strategic planning meetings.

B**OARD MEETING CALENDAR**

BOARD MEETINGS
June 18, 2024, Red Lodge
August 21, 2024, TBD
October 23, 2024, TBD
December 10, 2024, TBD

ADJOURN

Board Chair Pham adjourned the meeting at 12:15 P.M.

APPROVE: ________________________ ATTEST: ________________________
Vu Pham, Board Chair Adam Gill, Executive Director

APPROVAL DATE:________________

St. John's Lutheran Ministries
Billings, MT
Trust Fund Loan & Direct Loan Combination
Loan Summary

ELIGIBLE HEALTH FACILITY

St. John's Lutheran Ministries, Inc. (the "Corporation" or "St. John's"), now known as St. John's United, is a Montana not-for-profit corporation established in 1960. The Corporation is owned by 25 congregations of the Evangelical Lutheran Church in America that elect a governing board of twelve members.

St. John's fully owns and operates the following on a campus in Billings:

- 101 (licensed for 150) bed nursing home consisting of a 36-room transitional rehab center and five 13-room skilled nursing cottages (a 49-bed unit was closed in November 2023);
- Two, 12-room dementia care assisted living cottages;
- One, 16-room high acuity assisted living cottage;
- A comprehensive child development center licensed for 97 participants, to provide opportunities for intergenerational activities;
- A center offering support services birthparents and assist families with adoption, as well as a family wrap-a-round program to prevent foster care placement, (St. John's Family Services);
- A consulting and administration office, which manages five other facilities with independent and assisted living care; and
- A comprehensive home health and hospice service for seniors named Home Based Services Initiative LLC (HBSI), a 66.5% owned affiliate.

St. John's manages on the same campus:

- Mission Ridge a 121-unit independent living and 62-unit assisted living;
- Chapel Court LLP, a 56-unit Low-Income Tax Credit housing project.

St. John's owns and operates the following on a campus (The Crossings) in Laurel, Montana:

- A 24 apartment, independent living/retirement home;
- A 14 apartment, assisted living/retirement home; and
- A 12-room cottage for assisted living/dementia care; and
- 4 independent living patio homes

St. John's manages the following on two campuses in the Heights in Billings, Montana:

- WyndStone a 51-unit independent living and 32-unit assisted living
- SkyRidge a 32-unit assisted living

St. John's is the sole affiliate member of The Lutheran Center, Inc. DBA Luther's Lodge, a non-profit entity, which provides housing for individuals receiving medical care. It is located in a residential house in Billings, Montana.

St. John's is the sole affiliate member of Five Valleys Lutheran Retirement, Inc. a non-profit entity based in Missoula, MT now providing in home concierge services for seniors.

PROJECT AND COST

The Authority received a loan request from St. John's on May 17, 2024. The request is for a $1,500,000 Trust Fund Loan and a $500,000 Direct Loan combined amount of $2,000,000 to purchase the building formerly known as the RiverStone Hospice House from RiverStone Health. The building sits on land owned by St. John's and has been leased to RiverStone since 2010. The building currently has 12 resident rooms and St. John's will be adding four more rooms. It will serve as an additional high-acuity assisted living cottage and is located directly across the street from another similar assisted living cottage on the south side of St. John's campus.

Sources:		
Trust Fund Loan	$	1,500,000
Direct Loan		500,000
Borrower Contribution		275,000
TOTAL	**$**	**2,275,000**
Uses:		
Building Purchase	$	1,650,000
Expansion		525,000
Fixtures, Furniture, Equipment		100,000
TOTAL	**$**	**2,275,000**

PROGRAM Trust Fund Loan and Direct Loan Combination

LOAN TERM 7 years for both financings with the first 3 years interest-only

INTEREST RATE 5.38% for TFL; 4.69% for DL

CLOSING DATE Est. July 2024

MATURITY DATE Est. 2031

MARKET/COMPETITION

There has been a significant increase of independent and assisted living units in the past ten years. St. John United continues to be a strong provider along with Intermountain Health and Billings Clinic for in-patient post-acute care. Billings continues to see a strong population growth which includes a migration of seniors from rural areas to take advantage of the healthcare facilities. St. John United serves primarily residents of Yellowstone County but at the same time serves the needs of recovering patients from Livingston to Sidney, Montana. Other nursing homes provide post-acute services as well. Some other providers are Bella Terra, Avantara, Parkview Healthcare and Eagle Cliff Manor.

Governance

St. John's Lutheran Ministries is currently governed by a twelve-member Board of Directors. The Board of Directors has general charge of the business and affairs of the Corporation and may do and perform all acts necessary to carry out its purposes. Directors are elected by a majority vote of the Members, and each Director serves for a term of three years and can renew for two additional terms.

Management

David Trost, **CEO**, Mr. Trost has been in executive management for 33 years. 29 of those years at St. John's United. David has a Master's Degree in Health Administration from Montana State University – Billings, MT and a Bachelor's Degree in Health Care Administration and Psychology from Concordia College – Moorhead, MN. He previously worked as an Administrator with the Hillhaven Corporation prior to becoming the Administrator of St. John's Lutheran Home in 1995. Mr. Trost was a graduate of LeadingAge Leadership Academy in 2011. Mr. Trost was promoted to Vice President of St. John's Management and Outreach Services. In 2013 Mr. Trost was appointed to the newly created Chief Operating Officer position. In 2016 he applied for and was appointed the CEO. Mr. Trost has served as the Chair of Big Sky Economic Development Corporation ("BSEDC"). Currently he serves as a trustee for Montana Health Network, Montana Hospital Association-Ventures, Lutheran Services in America, and the MSU-Billings Health Administration Advisory Board. Mr. Trost is an active licensed nursing home administrator.

Jerry Pearsall, CFO, Mr. Pearsall has been employed by St. John's since April 2005 and has been the Chief Financial Officer since 2012. He is a graduate of Montana State University – Billings with a Bachelors Degree in Business Administration with an Accounting Option. Prior to 2012, he served as the director of St. John's Foundation. Prior to returning to his hometown of Billings and working at St. John's, Mr. Pearsall served for ten years as the Executive Director/CEO of the Pacific Northwest Section PGA headquartered in Olympia, Washington, one of 41 geographic regions of the Professional Golfers' Association of America.

Whitney Griffin, Controller, Ms. Griffin has been employed with St. John's since February 2021 and serves as the Director of Accounting/Controller. She earned a Master's Degree in Professional Accountancy from Montana State University and is a Certified Public Accountant. Prior to joining St. John's, she had 10 years' experience in public accounting. She was a manager with regional accounting firm Wipfli, LLP for five years specializing in both financial and ERISA audits.

Historical Financials

FISCAL YEARS ENDED	12/31/2021	12/31/2022	12/31/2023
ASSETS			
Cash & Cash Equivalents	1,752,082	2,857,505	2,693,018
Investments	617,575	106,839	658,071
Patient Recvbls (net) & Due from 3rd-Party Payors	1,793,751	1,666,151	1,844,696
Other Receivables	124,790	136,535	397,097
Inventory	298,237	236,576	294,427
Current Assets Whose Use is Limited	82,795	299,409	316,759
All Other Current Assets	200,250	145,722	188,652
Total Current Assets	**$ 4,869,480**	**$ 5,448,737**	**$ 6,392,720**
Fixed Assets	68,723,948	70,343,850	78,997,165
Accumulated Depreciation	40,731,645	40,546,385	41,853,996
Fixed Assets (net)	27,992,303	29,797,465	37,143,169
Board Designated Funds	18,908,205	15,999,209	16,926,688
Assets Held in Trust	-	-	-
Other Assets	11,034,829	9,313,528	10,943,779
Total Assets	**$ 62,804,817**	**$ 60,558,939**	**$ 71,406,356**
LIABILITIES			
Accounts Payable & Other Accrued Expenses	3,343,018	3,355,605	4,087,098
Current Portion of Long-Term Debt	1,034,518	80,247	680,886
Other Current Liabilities	803,689	1,189,179	1,034,278
Total Current Liabilities	**$ 5,181,225**	**$ 4,625,031**	**$ 5,802,262**
Long-Term Debt (Less Current Portion)	23,369,672	27,174,830	34,613,516
Other Long-Term Liabilities	2,163,238	1,778,544	1,626,547
Unrestricted Fund Balance	22,030,551	17,975,045	19,190,137
Restricted Fund Balance	10,060,131	9,005,489	10,173,894
Fund Balance	32,090,682	26,980,534	29,364,031
Total Liabilities & Fund Balance	**$ 62,804,817**	**$ 60,558,939**	**$ 71,406,356**
REVENUES & EXPENSES			
Net Patient Service Revenue	26,902,620	26,510,589	27,013,729
Other Operating Revenue	5,322,155	6,799,733	5,228,630
Total Operating Revenue	**$ 32,224,775**	**$ 33,310,322**	**$ 32,242,359**
Interest	815,583	854,780	688,492
Depreciation & Amortization	2,519,338	2,463,691	2,455,284
Other Operating Expenses	**$ 29,381,983**	**$ 30,529,140**	**$ 30,826,393**
Total Operating Expenses	32,716,904	33,847,611	33,970,169
Income from Operations	(492,129)	(537,289)	(1,727,810)
Other Nonoperating Revenue	3,479,208	(3,563,915)	3,014,962
Excess of Rev Over Exp Excl Extraord Items	**$ 2,987,079**	**$ (4,101,204)**	**$ 1,287,152**

KEY RATIOS

Debt Service Calculation	2021	2022	2023
Gross Revenues Total operating revenues	32,224,775	33,310,322	32,242,359
Interest and dividends	874,972	419,533	331,653
Realized gains (losses)	330,321	151,687	167,299
Other non-operating income (exp)	197,944	11,646	55,450
PLUS Unrestricted Contributions	319,199	205,935	216,229
PLUS Access Fee Contribution	-	750,000	-
PLUS Income (loss) from investments in joint ventures	1,619,977	(2,308,091)	1,208,739
LESS Change in net assets attributable to noncontrolling interest			(154,939)
Total Gross Revenues	**35,567,188**	**32,541,032**	**34,066,790**
Operating and Non-Operating Expenses	32,716,904	33,847,611	33,970,169
LESS Interest Expense	(815,583)	(854,780)	(688,492)
LESS Credit Loss - Bad debt Expense	(171,133)	(33,956)	(213,803)
LESS Depreciation	(2,519,338)	(2,463,691)	(2,455,284)
Total Operating Expenses	**29,210,850**	**30,495,184**	**30,612,590**
Income Available for Debt Service	6,356,338	2,045,848	3,454,200
Actual Annual Debt Service required to be paid.	1,789,732	918,173	873,545
DSC	**3.55**	**2.23**	**3.95**
**Debt service calculation consists of principal plus total interest less amortization of debt issuance costs plus interest payments capitalized for construction in progress as outlined by bond trust indenture			

Key Ratios	2021	2022	2023	Fitch 2022 Senior Living Medians
Days Cash on Hand	137.4	119.5	122	518
Cushion Ratio	12.0	10.0	26.4	9.8
Operating Margin (%)	-1.53%	-1.61%	-5.36%	1.30%
Debt to Capitalization (%)	51.47%	60.19%	64.33%	57%
Debt Service Coverage (x)	3.55	2.23	3.95	0.6
Average Age of Plant (Years)	16.2	16.5	17.0	12.5

****Fitch Ratings 2023 Median Ratios: Not-for-Profit Life Plan Communities*

Financial Observations

Assets & Liabilities

- Cash and cash equivalents increased from $1.75 million in FY 2021 to $2.85 million in FY 2022. This increase was due to employee retention credits received in 2022.
- Investments increased from $106,839 in FY 2022 to $658,071 in FY 2023. In 2022 St. John's had one certificate of deposit. In 2023 the Nursing division added another $140k CD and St. John's Home Health and Hospice entity opened a new $400k CD.
- Other receivables increased from $136,535 in FY 2022 to $397,097 in FY 2023. The largest component of the increase was the grants receivable balance. St. John's received a large grant from the State of Montana for the renovation of its new childcare center and the grant is on a reimbursement basis only.
- Fixed assets increased from $70.34 million in FY 2022 to $78.99 million in FY 2023. In 2022 St. John's started the renovation project that converted two closed retirement home wings into a new 36-bed Transitional Rehab Center and administrative offices. The total renovations, equipment and furnishings were roughly $10 million. These projects were completed in September and November 2023. There is a slight offset/reduction for the removal of portions of the original assets in these building wings.
- Current portion of long-term debt increased from $80,247 in FY 2022 to $680,886 in FY 2023. This is due to the $36,000,000 in MFFA revenue bonds issued in 2022. There was a 2-year interest only period that started in April 2022 and continued until May 2024. For the 2022 balance, St. John's only had upcoming principal maturities on several auto loans and none on the bonds. For the 2023 balance, the upcoming principal maturities included the auto loans and the new bond principal payments for May-Dec 2024.
- Unrestricted fund balance increased from $17.97 million in FY 2022 to $19.19 million in FY 2023. The revenues, expenses, and release of restrictions that net to $1,287,152 represent the majority of the change from 2022 to 2023, which is comprised of general operating and non-endowment investment activity.
- Restricted fund balance increased from $9 million in FY 2022 to $10.17 million in FY 2023. This is largely driven by endowment contributions to the Foundation (permanently restricted) and donor contributions that are restricted for a specific purpose (temporarily restricted).

Revenue & Expenses

- Nonoperating revenue increased from ($3.56) million in FY 2022 to $3.01 million in FY 2023. The bounce back of the market was the largest contributor to the increase in 2023, as St. John's showed significant unrealized losses in 2022. This includes both its own investments (Nursing division) plus the Missions United, Inc. investments of which St. John's is a 50% owner and allocated its proportional share for financial statement purposes.
- Long term debt increased from $27.17 million in FY 2022 to $34.61 million in FY 2023. This increase is due to the 2022 MFFA Revenue Bond. The bond is interest only until April 15, 2024, with an interest rate of 2.49%, due in monthly payments and a balloon payment in April 2034 of $26,916,026.

- Net revenue over expenses changed from $2.98 million in FY 2021 to ($4.10) million in FY 2022 and $1.28 million in FY 2023. This fluctuation was due to giant swings in the market. At the end of 2022 just between St. John's Nursing investments and its 50% portion of the Missions United investments the facility was down over ($4.6) million. This is represented in the "Income (loss) from investments in joint ventures" and "Change in unrealized gains and losses on investments". St. John's net operating loss didn't fluctuate much between FY 2021 and FY 2022, with both years seeing COVID related funding. In FY 2023 St. John's recovered about 40% of the 2022 investment losses by the end of FY 2023. The change in the net operating loss between FY 2022 and FY 2023 is larger, mostly related to less COVID monies. St. John's also continued large operational shifts on its campus in FY 2023, with the emphasis on reducing its nursing home beds. St. John's closed its last remaining traditional nursing home wing, opened a new transitional rehab center, and opened another assisted living cottage. The nursing home wing closed significantly sooner than planned, the rehab center was delivered at least two months behind schedule, and the assisted living cottage also opened later than expected. All three scenarios resulted in lower revenues than expected. These changed are shown below in the utilization statistics.

UTILIZATION

Utilization	2021	2022	2023	
Skilled Nursing				
Rimview Square	41.75	40.41	17.97	Closed Nov. 2023
Garden Court	19.19	3.41		Closed April 2022. Most residents relocated to Powers Cottage
Fischer Cottage	11.48	10.9	12.55	
Hansen Cottage	11.71	11.34	12.32	
Jensen Cottage	11.26	11.06	12.63	
Liggett Cottage	11.35	12.63	12.75	
Powers Cottage	n/a	9.15	12.5	Re-opened April 2022; previously it was an assisted living cottage that was closed in 2020
Transitional Care North	12.42	13.7	14.76	Closed November 2023 and patients relocated to transitional rehab center
Total Skilled Nursing - Billings	119.16	112.6	95.48	
Skilled Nursing Stats				
Licensed Skilled Nursing Beds	186	186	150	Reduced to 150 May 2023
Beds in Operation	155	149.66	127.58	
Admissions	240	227	185	
Total Patient Days	43,489	41,096	34,853	
Average Length of Stay (approximate)	264.71	223.97	193.27	
Occupancy Rate w/ TCC beds	77%	75%	75%	
Occupancy Rate w/out TCC beds	86%	84%		

Utilization	2021	2022	2023	
Assisted Living - Billings				
Langemo Cottage	7.79	8.66	11.22	
Moorberg Cottage	10.46	9.78	11.6	
Nefzger Cottage			4.8	Opened June 2023
Total Assisted Living - Billings	18.25	18.44	27.62	
Billings Assisted Living Stats:				
Beds in Operation	36	28	33	
Occupancy Rate	51%	66%	83%	

Utilization	2021	2022	2023
Independent Living - Laurel			
Crossings	20.78	22.28	23.01
Patio Homes	2.78	4	4
Total Independent Living - Laurel	23.56	26.28	27.01
Assisted Living - Laurel			
Crossings	8.33	11.83	13.24
Richardson	11.04	11.04	11.81
Total Assisted Living - Laurel	19.37	22.87	25.05
Laurel Stats			
Beds in Operation	53	53	54
Occupancy Rate	81%	93%	96%

PAYOR MIX

Assisted Living			
Payor Mix	**2021**	**2022**	**2023**
Medicaid Waiver	11%	8%	5%
Private / Comercial	89%	92%	95%
Total	100%	100%	100%

Skilled Nursing			
Payor Mix	**2021**	**2022**	**2023**
Medicare	10%	10%	12%
Medicaid	46%	47%	48%
Private / Comercial	45%	43%	40%
Total	100%	100%	100%

PRO FORMA

Pro Forma	FY 2021	FY 2022	FY 2023	Pro Forma FY 2023
Available for Debt Service	6,356,338	2,045,848	3,454,200	3,454,200
Existing Debt Service	1,789,732	918,173	873,545	873,545
Debt Service on New Money	N/A	N/A	N/A	104,150
Total Debt Service	1,789,732	918,173	873,545	977,695
Debt Service Ratio Calculation	3.55	2.23	3.95	3.53

ANTICIPATED FINANCIAL CHANGES DUE TO PROJECT

St. John's is not expecting immediate revenue from this financing; however, the acquisition of the new building will provide St. John's the ability to transfer residents from a skilled nursing home into this home and start upgrades on the empty building. Upon completion of this project, St. John's plans to add four additional rooms to this new cottage. It is dependent on the number of beds, but St. John's is expecting to add operating margin in the realm of $300,000 annually once it is up and running.

STRENGTHS

- The Corporation is in good financial position showing net income and consolidated assets growth even during the COVID-19 pandemic.
- St. John's strong management team has recognized the long-run financial challenges and moved to create alternative revenue streams with a diverse group of partners while expanding its service market.
- Good debt service coverage ratio.
- Good relationships with local hospitals.

CONCERNS

- Assisted Living and Nursing Home industry is currently in flux.
- Medicaid reimbursements for Skilled Nursing are still below actual cost.

RECOMMENDATION

Approval is recommended based upon the following considerations:

- Ability to maintain profitability amidst purchase and expansion.
- Project allowing Corporation to grow to meet community needs.
- Overall strong financial performance and ability to make payments.

RESOLUTION NO. 24-04

RESOLUTION ON A PROPOSAL TO MAKE A LOAN TO ST. JOHNS LUTHERAN MINISTRIES, INC. PURSUANT TO TITLE 90, CHAPTER 7, AND TITLE 17, CHAPTER 6, PART 3, MONTANA CODE ANNOTATED, AS AMENDED; APPROVING THE RELATED LOAN APPLICATION; APPROVING THE PROJECT AND THE TERMS AND CONDITIONS OF THE LOAN AND THE EXECUTION OF DOCUMENTS RELATED THERETO.

BE IT RESOLVED by the Montana Facility Finance Authority (the "Authority"), as follows:

Section 1. Recitals.

1.01. The Authority is authorized pursuant to Title 90, Chapter 7, and Title 17, Chapter 6, Part 3, Montana Code Annotated, as amended (hereinafter referred to as the "Act"), to make a loan from the Permanent Coal Tax Trust Fund for a capital project as defined in the Act. St. John's Lutheran Ministries, Inc., a Montana non-profit corporation with its operations located in Billings, Montana (the "Obligor") has presented a proposal to the Authority requesting the Authority assist the Obligor with the purchase and renovation of a building formerly known as the RiverStone Hospice House from RiverStone Health (the "Project") by making a loan to the Obligor in an amount not to exceed $1,500,000 (the "Loan").

1.02. The Authority determines that the Loan is for a capital project as described in the Act and does not exceed 10% of the $15,000,000 amount of the Permanent Coal Tax Trust Fund to be administered under the Act by the Authority.

1.03 The Authority has received the Obligor's Loan application and deems the application complete and determines that the Project is eligible for financing under the Act.

1.04 The Authority and the Board of Investments of the State of Montana have calculated the interest rate for the Loan in accordance with a commitment letter specifying the date through which the commitment is valid, the interest rate and term of the Loan.

1.05 The following documents relating to the Project and the Loan will be prepared and shall be placed on file in the office of the Authority:

(a) A Loan Agreement (with exhibits and attachments), the "Loan Agreement," with the Authority as Lender and Obligor as borrower,

(b) A Mortgage and Security Agreement, the "Mortgage", if applicable, and

(c) A Note in the principal amount of the Loan from the Obligor to the Authority (the "Note").

Section 2. Findings.

2.01. Based on the application, the Authority hereby finds, determines and declares as follows:

(a) the Obligor is an "institution" and the Project consists of the financing or refinancing of “eligible facilities” within the meaning of the Act, in that the improved facility is a critical access hospital;

(b) the amount of the Loan to the Obligor pursuant to the Loan Agreement based solely on information provided and representations made by the Obligor will not exceed the total eligible costs of the Project;

(c) pursuant to the Loan Agreement, the Loan repayments will be sufficient to pay the principal of, and interest on the Note as due, to meet all other obligations in connection with the Loan Agreement and to provide for costs of servicing and securing the Note;

(d) the Project is to be operated by the Obligor for the purpose of providing senior living services;

(e) based solely upon information and representations provided by the Obligor, the Obligor will have sufficient revenues to provide for the payment of the principal of and interest on the Loan as due;

(f) pursuant to Section 17-6-308(4), MCA, the Loan Agreement will provide that principal and interest payments on the Loan will be deposited in the Coal Severance Tax Permanent Fund until all principal and interest has been paid;

(g) the Project is not subject to certificate of need approval under Montana Code Annotated, Title 50, Chapter 5, Part 3, as amended; and

(h) the Loan complies with the terms of the Authority’s Trust Fund Loan Pool Policy.

Section 3. Approval and Authorizations.

3.01. The Project and the Loan are hereby approved by the Authority.

3.02. The forms of (a) the Loan Agreement and the attachments thereto and (b) the Note, filed with the Authority are approved. The Chairman, Executive Director, or any one or more of such officers of the Authority are hereby authorized and directed: (i) to execute the Loan Agreement and its Exhibits and Attachments in the name and on behalf of the Authority, upon execution thereof by the other parties thereto; and (ii) to file or record any security instruments in the name of, and on behalf of, the Authority. The above-referenced documents shall be executed in substantially the form previously approved, subject to such additions thereto or deletions therefrom as are approved by the officers executing the same, which approval shall be conclusively presumed by the execution thereof, and such other documents as required by the Authority's counsel shall also be executed at the closing.

Section 4. Application and Planning Fees.

4.01 As authorized by Section 90-7-211 of the Act, the Authority may assess certain initial planning service fees and annual planning service fees to be paid by participating institutions (as defined in the Act) in connection with any application to the Authority for financial assistance. The initial planning service fee will be one percent (1%) of the final loan amount. The annual planning service fee for the Obligor will be 50 basis points (.50%) of the outstanding amount of the Loan, assessed each month and included in the amortization schedule provided to the Obligor, unless and until changed by the Authority.

Passed and approved by the Authority this 18 day of June, 2024.

MONTANA FACILITY FINANCE AUTHORITY

ATTEST:

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By: Vu Pham
Its: Chairman

____
By: Adam Gill
Its: Executive Director

RESOLUTION NO. 24-05

RESOLUTION DECLARING THE OFFICIAL INTENT OF THE MONTANA FACILITY FINANCE AUTHORITY TO REIMBURSE CERTAIN ORIGINAL EXPENDITURES RELATED TO THE CONSTRUCTION OF A MANUFACTURING FACILITY BY LOCHSA LABS, LLC FROM THE PROCEEDS OF TAX-EXEMPT BONDS TO BE ISSUED BY THE AUTHORITY AFTER THE PAYMENT OF SUCH ORIGINAL EXPENDITURES

WHEREAS, U.S. Treasury Regulations, Section 1.150-2 (the "Reimbursement Regulations"), promulgated pursuant to Section 150 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the allocation of the proceeds of tax-exempt bonds to expenditures for governmental purposes originally paid from a source other than such tax-exempt bonds will be treated as expenditures of such tax-exempt bonds only if certain requirements of the Reimbursement Regulations are satisfied by the issuer of such tax-exempt bonds; and

WHEREAS, the Montana Facility Finance Authority (the "Authority") expects that Lochsa Labs, LLC (the "Borrower") will pay certain original expenditures for the construction of a Good Manufacturing Practices (GMP) facility that produces high potency, low volume contract manufacturing for immunotherapeutics--the process includes creating of the batch process, chemistry production, formulation, and drug fill & finish (the "Project") and which original expenditures are expected to be reimbursed from the proceeds of one or more series of tax-exempt bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE MONTANA FACILITY FINANCE AUTHORITY, AS FOLLOWS:

1. The Authority has a reasonable expectation (within the meaning of Treasury Regulations, Section 1.148-1(b)) that it will make expenditures for the Project in calendar year 2024 or 2025. The Authority has a reasonable expectation that it will issue one or more series of tax-exempt bonds (the "Bonds") in the estimated maximum principal amount not to exceed $10,000,000 to finance the Project and that the Borrower will make reimbursement allocations with respect to such original expenditures for the Project from the proceeds of such Bonds.

2. This Resolution shall be maintained as part of the books and records of the Authority at the main administrative office of the Authority, and shall be continuously available during normal business hours of the Authority on every business day of the period beginning not more than thirty (30) days after adoption of this Resolution and ending on the last date of issue of any Bonds.

3. This Resolution has been adopted not later than sixty (60) days after payment of any original expenditure for the Project to be subject to a reimbursement allocation with respect to the proceeds of the Bonds.

4. All reimbursement allocations with respect to the Bonds will be made not later than eighteen (18) months after the later of: (i) the date the original expenditure is paid; or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after an original expenditure is paid for the Project. If the Bonds are eligible for the small issuer exception from arbitrage rebate, the "18-month" limitation above is extended to "three years" and the "three-year" maximum reimbursement period is disregarded.

5. All original expenditures to which reimbursement allocations are to be made constitute: (i) capital expenditures; (ii) costs of issuance of the Bonds; (iii) expenditures for extraordinary, nonrecurring items that are not customarily payable from current revenues, such as casualty losses or extraordinary legal judgments in amounts in excess of reasonable insurance coverage, and for which no

reserve is maintained; or (iv) a grant (as defined in Treasury Regulations, Section 1.148-6(d)(4), as a transfer for a governmental purpose of money or property to a transferee that is not a related party to or an agent of the transferor with respect to which no obligation or condition is imposed to directly or indirectly repay any amount to the transferor).

6. The limitations set forth in paragraphs 3 and 4 of this Resolution do not apply to: (i) the costs of issuance of the Bonds; (ii) an amount not in excess of the lesser of $100,000 or five percent (5%) of the proceeds of the Bonds; or (iii) preliminary expenditures up to an amount not in excess of twenty percent (20%) of the aggregate issue price of the Bonds that finance or are reasonably expected by the Authority to finance the Project for which the preliminary expenditures were incurred. The term "preliminary expenditures" includes architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of the Project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

7. This Resolution is an expression of the reasonable expectations of the Authority based on the facts and circumstances known to the Authority as of the date hereof. The anticipated original expenditures for the Project are consistent with the Authority's budgetary and financial circumstances. No sources other than proceeds of Bonds to be issued by the Authority are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the Authority's budget or financial policies to pay such expenditures for the Project.

8. This Resolution is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

9. No reimbursement allocation of the proceeds of the Bonds to expenditures for the Project will employ an abusive arbitrage device (within the meaning of Treasury Regulations, Section 1.148-10) to avoid the arbitrage restrictions or to avoid the restrictions of Sections 141 through 150 of the Code.

Passed and approved by the Authority this 18 day of June, 2024.

MONTANA FACILITY FINANCE AUTHORITY

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By: Vu Pham
Its: Chairman

ATTEST:

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By: Adam Gill
Its: Executive Director

RESOLUTION NO. 24-06

RESOLUTION AUTHORIZING THE AUTHORITY TO MANAGE FUNDS FROM THE USDA RURAL DEVELOPMENT INTERMEDIARY RELENDING PROGRAM INCLUDING THE RECEIPT, REPAYMENT, LENDING, AND RELENDING OF SUCH FUNDS TO SUPPLEMENT THE LENDING CAPACITY OF EXISTING AUTHORITY LOAN PROGRAMS; APPROVING AN INTERMEDIARY RELENDING PROGRAM POLICY AND NECESSARY AMENDMENTS TO EXISTING POLICIES AND AUTHORIZING THE EXECUTION OF DOCUMENTS RELATED THERETO.

BE IT RESOLVED by the Montana Facility Finance Authority (the "Authority"), as follows:

Section 1. Recitals.

1.01. The Authority is authorized pursuant to Title 90, Chapter 7, Part 2, Montana Code Annotated, as amended (hereinafter referred to as the "Act"), to contract in its own name for the investment of funds, borrowing of funds, or any other purposes it considers appropriate to carry out the purposes of the Act and to perform other acts necessary and convenient to carry out the purposes of the Act.

1.02. The Authority operates two revolving loan programs—the Trust Fund Loan Program and the Direct Loan Program—which provide low-cost capital to Eligible Facilities, as defined in the Act.

1.03 The Authority's Trust Fund Loan Program ("TFL") uses access to funds from the Permanent Coal Tax Trust Fund to make loans up to $1.5 million. The TFL allows for $15 million in total lending capacity.

1.04 The Authority's Direct Loan Program ("DLP") uses the Authority's reserves to provide loans of up to $300,000 on a stand-alone basis or up to $500,000 when paired with a TFL and has a total programmatic lending capacity of $5 million.

1.05 The United States Department of Agriculture Office of Rural Development's ("RD") Intermediary Relending Program ("IRP") is a loan program to support the growth of revolving loan funds for eligible entities. The IRP provides loans with a 30-year term and a fixed 1.00% interest rate with principal deferred for the first 36 months.

1.06 Of the $15 million in TFL capacity, $11.2 million is presently outstanding and up to $4 million in loan requests are expected in the next year.

1.07 Of the $5 million in DLP capacity, $4.3 million is outstanding and over $1.3 million in approved loan requests are expected in the next year.

1.08 As an authorized recipient of IRP funds, the Authority would be able to loan such proceeds and reduce the amount of funds needed from the TFL and DLP to support a project and generate additional revenue for the Authority. Up to $400,000 of IRP funds could be available for each qualified project.

1.09 As a participant in the IRP, the Authority must, among other requirements:

(a) Adhere to quarterly reporting through the first year and biannual reporting thereafter.

(b) Fund a loan loss reserve of at least 6% of the principal of the IRP loan within three years of receiving the IRP funds.

(c) Hold in a separate account the IRP funds, including the reserve, principal payments from borrowers, and interest not used for administrative costs. If the balance of the account exceeds $250,000 for more than a fiscal quarter without any project committed to use of those funds, RD reserves the right to claw back the amount in excess of $250,000. Such returned funds would count as payment on the IRP loan from RD.

Section 2. Findings.

2.01. The Authority hereby finds, determines, and declares that becoming an authorized lender under RD's IRP program would further the purposes of the Act in the following ways:

(a) IRP funds would increase lending capacity under the TFL and DLP and thus increase the capacity for the Authority to fund qualifying projects for Eligible Facilities;

(b) participation in the IRP program would allow the Authority to claim some operating revenue each year and offset the cost of reporting and providing services.

2.02 Executive Director Adam Gill has presented reasonable policies, approved and identified in Section 3 below, which shall enable the Authority to comply with the programmatic requirements of the IRP.

2.03 For the reasons detailed in Section 2.01 above, the Authority's participation in the IRP is convenient and appropriate to carry out the purposes of the Act.

Section 3. Approval and Authorizations.

3.01 The Authority does hereby approve the "Intermediary Relending Program Policy," attached hereto as Exhibit A, and authorizes the Executive Director and Board Chair to execute the same.

3.02 The Authority does hereby approve the amendments to its "Revenue and Reserve Policy" identified in Exhibit B hereto and does authorize the Executive Director and Board Chair to execute a new "Revenue and Reserve Policy" reflecting these amendments.

3.03 The Authority does hereby approve the amendments to its "Direct Loan Program Policy" identified in Exhibit C attached hereto and does authorize the Executive Director and Board Chair to execute a new "Direct Loan Program Policy" reflecting these amendments.

3.04 The Authority does hereby approve the amendments to its "Internal Controls Policy" identified in Exhibit D attached hereto and does authorize the Executive Director and Board Chair to execute a new "Internal Controls Policy" reflecting these amendments.

3.05 The Executive Director is hereby authorized to execute on the Authority's behalf such contracts and related documents necessary to accomplish the Authority's participation in the IRP.

3.06 Authority staff, subject to the direction and supervision of the Executive Director, shall implement the policies approved herein and shall take such action reasonably necessary to ensure compliance with all IRP requirements and with this Resolution. The Executive Director, or other staff member designated by the Executive Director, shall provide a report on IRP-related activities at each meeting of the Authority's Board of Directors.

Passed and approved by the Authority this 18 day of June, 2024.

MONTANA FACILITY FINANCE AUTHORITY

ATTEST:

____
By: Vu Pham
Its: Chairman

____
By: Adam Gill
Its: Executive Director

MONTANA FACILITY FINANCE AUTHORITY

INTERMEDIARY RELENDING PROGRAM POLICY
June 8, 2024

POLICY FOR THE INTERMEDIARY RELENDING PROGRAM originally dated as of __________ (as hereinafter defined, the “Policy”), relating to the administration of loans by the MONTANA FACILITY FINANCE AUTHORITY (as hereinafter defined, the “Authority”) pursuant to Section 17-6-308(4) MCA.

POLICY: Intermediary Relending Program

PURPOSE: To manage funds from the Rural Development (“RD”) Intermediary Relending Program (“IRP”) including receipt, repayment, lending and relending to supplement the lending capacity of existing MFFA loan programs via the use of Rural Development Intermediary Relending Program (“IRP") Loans

LENDING PARAMETERS:
The IRP pool is limited to the principal of the funds borrowed from Rural Development Intermediary Relending Program plus aggregate of principal and interest payments made to the MFFA by borrowers of IRP funds as well as investment earnings.

1. Eligible borrowers and projects include:
   a. Eligible facilities as defined in MCA 90-7-104 located in a rural area that is not inside a city with a population of 50,000 or more according to the latest decennial census.

   b. Loans will be given at the discretion of staff and as IRP funds are available.

   c. Eligible projects shall include construction and renovation, facility acquisition, the purchase of equipment, and related financing soft costs.

2. Ineligible projects
   a. Assistance in excess of what is needed to accomplish the project.
   b. A loan to a Borrower which has an application with or loan outstanding from another lender involving a USDA IRP RLF if the total exceeds the limits of this program.
   c. Any project that is in violation of either a Federal, State, or local environmental protection law or regulation or enforceable land use restriction unless the assistance will result in curing or removing the violation.

3. Loan terms include:
   a. Maximum loan amount is the greater of 50% of the total loan amount approved by the MFFA or $400,000.

   b. Maximum loan term of 25 years

   c. Interest rates will match the MFFA loan programs in the following priority. If there are any Trust Fund Loan funds attached, IRP will use the Trust Fund rate. If there are no Trust Fund funds attached, the IRP will use the Direct Loan rate.

d. Security may include a pledge of the equipment or real property being financed with the loan proceeds. If the prudent loan-to-value ratio cannot be met, other properties may be considered for collateral. Pledges of receivables may also be considered acceptable collateral.

4. Loan Approval:
   a. Loans may be approved if staff determines that there is reasonable expectation of loan repayment by the Borrower.

5. Program Fees and Expenses:
   a. The Borrower is responsible for all associated loan expenses.

   b. The Authority will impose a one-percent (1%) origination fee.

6. Other Program Requirements
   a. Each applicant must complete an RD form 1940-20 - Environmental Review.

   b. All recipients of USDA IRP funds must comply with all provisions of the Civil Rights Act. Complaints alleging discrimination will be referred to the Montana Human Rights Commission.
   c. If the applicant requests financing for a construction project:
      i. The project will be subject to Davis-Bacon and Federal Labor Standards requirements.
      ii. If the project will have public access, assurances of accessibility for the handicapped must be provided.

7. Authority Responsibilities:
   a. The Authority may retain legal services to draft the necessary documents to effect the transaction.

   b. The Authority may bill, collect, and deposit monthly payments, as well as monitor the borrower's compliance with the loan covenants.

7. Authorized Personnel:
   Staff listed below are authorized to approve loans under this program:

   Adam Gill

IN WITNESS WHEREOF, the parties have caused this policy to be revised and reviewed as of the 8th day of June, 2024

MONTANA FACILITY FINANCE AUTHORITY

By: ____________________________ Vu Pham, Board Chair

By: ______________________________ Adam Gill, Executive Director

MONTANA FACILITY FINANCE AUTHORITY

DIRECT LOAN PROGRAM POLICY

~~August 18, 2021~~June 18, 2024

POLICY FOR THE DIRECT LOAN PROGRAM originally dated as of September 9, 1993 (as hereinafter defined, the "Policy"), relating to the administration of loans by the MONTANA FACILITY FINANCE AUTHORITY (as hereinafter defined, the "Authority") pursuant to Section 17-6-308(4) MCA.

POLICY: Direct Loan Program

PURPOSE: To enable Authority clients to receive short term loans at competitive interest rates and to provide the Authority with a return on its investments.

PARAMETERS: The Direct Loan Program is limited to $~~4,750,000~~6,000,000, plus aggregate loan interest payments and investment earnings.

1. Eligible borrowers and projects include:
   a. Any eligible facility identified in the Act with less than an investment grade rating.

   b. Loans will be given on a first come, first served basis.

   c. Eligible projects shall include construction and renovation, facility acquisition, refinancing of qualified outstanding debt, the purchase of equipment, and financing costs.

2. Loan terms include:
   a. Maximum loan amount of:
      a. $300,000 for conventional Direct Loan financings.
      b. $500,000 for the purpose of refinancing qualified debt or when combined with a Trust Fund Loan.

      A borrower's aggregate loan balance is limited to $750,000. This limit is not in effect when the Emergency Loan Program is activated.

   b. Maximum loan term of:
      a. Seven (7) years for conventional Direct Loan financings.
      b. Ten (10) years for the purpose of refinancing qualified debt or when combined with a Trust Fund Loan.

      In certain circumstances the Board of the Authority may approve loan amortization beyond seven years; however a balloon payment will be required on an agreed upon loan anniversary date which shall not be more than seven years from the date of agreement.

   c. Interest rates will be:
      a. Five (5) year term – the greater of the 5-Year US Treasury Note plus 15 basis points or 2.00%
      b. Seven (7) year term - the greater of the 7-Year US Treasury Note plus 20 basis points or 2.15%
      c. Ten (10) year term - the greater of the 10-Year US Treasury Note plus 30 basis points or 2.25%

d. Security may include a pledge of the equipment or real property being financed with the loan proceeds. If the prudent loan-to-value ratio cannot be met, other properties may be considered for collateral. Pledges of receivables may also be considered acceptable collateral.

3. Loan Approval:

a. Loans may be approved if staff determines that there is reasonable expectation of loan repayment by the Borrower.

4. Program Fees and Expenses:

a. The Borrower is responsible for all associated loan expenses.

b. The Authority will impose a one-percent (1%) origination fee.

~~c. If the borrower is financing work identified through the Energy Efficiency Program, the amount of the fee waived will be the lesser of the full amount of the 1% application fee or the amount of the match provided for the above grant.~~

d. If the borrower is refinancing previous MFFA issued debt, the amount of the origination fee will be waived.

5. Authority Responsibilities:

a. The Authority may retain legal services to draft the necessary documents to effect the transaction.

b. The Authority may bill, collect, and deposit monthly payments, as well as monitor the borrower's compliance with the loan covenants.

6. Authorized Personnel:

Staff listed below are authorized to approve loans under this program:

Adam Gill

IN WITNESS WHEREOF, the parties have caused this policy to be revised and reviewed as of the 18th day of ~~August 2021~~June 2024.

MONTANA FACILITY FINANCE AUTHORITY

By: ____________________________ Vu Pham, Board Chair

By: ______________________________ Adam Gill, Executive Director

MONTANA FACILITY FINANCE AUTHORITY

REVENUE AND RESERVE POLICY
~~April 9, 2020~~June 18, 2024

POLICY FOR THE REVENUE AND RESERVE originally dated as of January 19, 2000 (as hereinafter defined, the "Policy"), relating to the administration of loans by the MONTANA FACILITY FINANCE AUTHORITY (as hereinafter defined, the "Authority") pursuant to Section 17-6-308(4) MCA.

POLICY: Administration of funds received/Allocation of Revenues

PURPOSE: Prudent management of the Authority's finances requires an accumulation and management of funds that are in addition to its respective fiscal year operational requirements. (Reference 90-7-211 MCA) Such additional funds are necessary to:

1. Establish and maintain an operating capital reserve
2. Support operations during periods of unusual or unexpected revenue fluctuations
3. Meet unusual, unexpected or unbudgeted operating expenses and/or capital expenditures
4. Fund extraordinary expenditures associated with bond/note issues of the Authority, for example, fees and expenses of consultants, attorneys, and financial advisors, for activities related to project development and management
5. Provide resources to fund appropriate action as necessary to assist in preserving the credit-worthiness of the Authority's clients
6. Provide reserves for loan losses
7. Provide loans to finance the project costs of eligible facilities.
8. Provide loans for capital expenses for eligible facilities during periods of declared Federal or State Emergency in areas covered by those declarations.

A. PARAMETERS: This policy identifies revenue and program accounts as well as the allocation of revenues to the Operating Capital Account, Capital Reserve Accounts, Direct Loan Program Account and Trust Fund Loan Pool Account. Operating Capital Account – All revenues from #1 below shall be deposited to this account and all funds from #2 below may be deposited to this account.

   1. All application fees, annual planning service fees and other charges related to all loan transactions.
   2. Fund transfers from the "A" Capital Reserve Accounts and the Direct Loan Program Account.

   The maximum account balance shall be equal to two times the current annual budget of the Authority.

B. Capital Reserve Accounts – There shall be separate accounts for loans enhanced by the Board of Investments (A) and for the Trust Fund Loan Pool (B). All revenues from #1 and #2 below shall be deposited to these accounts and funds from #3 below may be deposited to these accounts.

   1. All application and annual planning service fees, excluding initial and annual operating expenses, which are incurred on loans enhanced by

the Board of Investments or loans made from the Trust Fund Loan Pool, respectively

2. Loans from the Board of Investments
3. Fund transfers from the Operating Capital Account and the Direct Loan Program account.

The maximum account balance shall be 10% of the aggregate outstanding loan balance in each account as calculated on June 30 of each year.

C. Direct Loan Program Account - Revenues from #1 and #2 below shall be deposited to this account, and funds from #3 below may be deposited to this account:

1. All application fees paid by the participants in this program
2. All loan repayments
3. Fund Transfers from the Operating Capital Account and the "A" Capital Reserve Account.

The maximum account balance is $~~4,750,000~~ 5,250,000 plus aggregate loan interest payments and account investment earnings thereafter. ~~The history of account balance is below:~~

~~1993 1.5 times current annual budget~~
~~1996 funded at $500,000~~
~~2000 additional $150,000~~
~~2005 additional $200,000~~
~~2008 additional $500,000~~
~~2010 additional $400,000 at the Executive Director's discretion~~
~~2017 additional $1,000,000~~
~~2019 additional $1,000,000~~
~~2019 additional $1,000,000 at the Executive Director's discretion~~

D. Trust Fund Loan Pool Account - Revenues from #1 and #2 below shall be deposited to this account, funds from #3 below may be deposited to this account.

1. All application fees, paid by the participants in this program
2. All loan repayments
3. Fund transfers from the "A" Capital Reserve Account, Direct Loan Program Account or Operating Capital Account.

The maximum account balance is $15,000,000, pursuant to 17-6-308 of MCA.

E. Intermediary Relending Program Account – Principal and interest payments of loans made with Rural Development's (RD) Intermediary Relending Program (IRP) funds as well as investment earning from STIP will be deposited in the respective IRP account. With RD approval, operating expenses may be withdrawn from the account on an annual basis.

E. Emergency Lending Program –When the Emergency Lending Program is activated by the Authority Board, the Emergency Lending Program Policy will list what reserves are available to be used for the lending program. Upon repayment of the loans, repaid funds will be deposited back into the reserve accounts or program funds they were pulled from.

*INVESTMENT EARNINGS ON FUNDS HELD IN ALL OF THE ABOVE ACCOUNTS WILL ACCRUE TO THEIR RESPECTIVE ACCOUNTS.

Fee and Expense Assessments

Appendix A describes the process for assessing application and annual planning service fees for the Authority loan programs. (90-7-211 MCA)

This policy supersedes all prior revenue and reserve policies. The Authority may revise this policy at any time without notice to or the consent of the holders of any bonds or the Board of Investments.

IN WITNESS WHEREOF, the parties have caused this policy to be revised and reviewed as of the ~~9th day of April, 2020~~18th day of June 2024.

MONTANA FACILITY FINANCE AUTHORITY

By: ______________________________ By: ________________________________

~~Larry Putnam~~Vu Pham, Chairman Adam Gill, Executive Director

Appendix “A”

MONTANA FACILITY FINANCE AUTHORITY

Revenue and Reserve Policy
December 12, 2012
Fee Assessments

BONDS/NOTES

Application Fee (Initial Planning Service Fee)
The application fee for each series of bonds will be calculated subject to the following schedule:

Loan Amount	Fee
Up to $ 5,000,000	30 basis points (bp) (.0030)
Up to $ 10,000,000	the > of 25 bp or $ 15,000
Up to $ 25,000,000	the > of 15 bp or $ 25,000
Up to $ 50,000,000	the > of 12.5 bp or $ 37,500
Up to $100,000,000	the > of 7.5 bp or $ 62,500
Over $100,000,000	the > of 6.5 bp or $ 75,000

Minimum fee of $1,000.

Annual Fee (Annual Planning Service Fee)
The Annual Fee for each series of bonds shall be due annually and assessed according to the following schedule

Stand Alone Bond Issues	5 bp X the outstanding principal amount
Private Placement bond issues	5 bp X the outstanding principal amount
Master Loan Program	10 bp X the outstanding principal amount

The maximum annual loan fee shall be $75,000 and the minimum loan fee shall be $100, whether for a single facility borrower, multi-facility borrower or a pool of borrowers.

The Authority may subsequently waive or reduce the annual planning service fee.

TRUST FUND LOAN PROGRAM

Commitment Fee (Trust Fund Loan Program)
A one percent (1%) Commitment Fee shall be assessed to all loans under this program. One-half will be due at the time the commitment is issued and the remainder will be due at the time of closing the loan.

Loan Servicing Fee
A Loan Servicing Fee of 50 basis points (.0050) shall be added to the Borrower Loan Rate.

C-PACE

Application Fee
1.25% of the par value of the financing with a minimum fee of $1,000. Staff of the Authority may subsequently waive or reduce the application fee.

Annual Fee

For each current C-PACE Project, an Administrative Fee of one percent (1.0%) of the annual payment, up to an annual maximum of $3,000, will be charged each year until the assessment is paid in full.

EXPENSE REIMBURSEMENT

The Authority may bill each borrower for reimbursement of certain travel expenses, if any, for the preparation, evaluation and closing of a loan application. The Authority may also charge a borrower for actual, extraordinary expenses associated with the management and monitoring of a loan.

Montana Facility Finance Authority

Internal Controls Policy
Approved August 18, 2021

Contents

MONTANA FACILITY FINANCE AUTHORITY
Internal Controls Policy
(Updated ~~August 18, 2021~~June 8, 2024)

PURPOSE

The Montana Facility Finance Authority (MFFA) ensures processes are in place to safeguard assets, ensure validity of records and reports, and provide consistency for operations.

~~The Montana Facility Finance Authority~~MFFA leases office space ~~shares physical location with and pays for services of~~from the Montana Board of Investments (MBOI). ~~The~~ MFFA is attached to the Montana Department of Commerce (MDOC). Both entities are instrumental in completion of many tasks on behalf of the MFFA and each has its own I~~i~~nternal ~~c~~Control~~s~~ P~~p~~olicy.

STAFF

Four staff members comprise the MFFA team:

- Executive Director
- Associate Director
- Accountant
- C-PACE Program Manager

BUILDING

MFFA rents space at ~~2401 Colonial~~1712 9th Ave, Helena, MT 59601. Building keys are provided in accordance with MBOI Internal Control Policy.

INFORMATION TECHNOLOGY

MFFA ~~shares and pays for its respective MBOI IT staff and equipment~~~~uses~~receives IT support services from MDOC.

MFFA PROCEDURES MANUAL

MFFA has a Procedures Manual, with detailed checklists identifying and describing daily, weekly, monthly, yearly, and infrequent processes and procedures. Both the Associate Director and ~~Financial Specialist~~Accountant have copies in their offices. These copies ~~and make changes~~are updated as processes are modified.

PROGRAMS

Bonds and Notes

Bonds and notes are issued to borrowers for projects. MFFA Board authorization is required. Funds for projects comes from either a public issuance where an underwriter receives money from investors or from a private placement, i.e., a bank or large investor such as GE. Typically, funds are placed into an escrow account and the borrower requests funds from the escrow agent or trustee. MFFA staff does not have access to these funds. Repayment of these bonds/notes comes from the borrower to: 1) the trustee who pays the investors; or 2) directly to the private holder of the bond/note.

An MFFA application fee is assessed as described in the MFFA Procedures Manual and received as indicated above in Receipt of Funds.

Direct Loan Program (DL)
Loans are made to eligible borrowers from MFFA's Fund Balance (Direct Loans). By policy, the maximum amount outstanding to any one borrower is $750,000. Loans are approved by staff pursuant to Board policy and reported to the board at subsequent board meetings. Board policy identifies authorized staff. Two staff are required for the approval, one for the request/analysis, and one for the approval. If there are not two staff members available, a Board member will be asked to review and approve the request.

Funds are disbursed by MFFA via US Bank SinglePoint ACH and loan repayments are also collected by MFFA via US Bank SinglePoint ACH. Process details can be found in MFFA Procedures Manual.

MFFA application fee is assessed as described in the Procedures Manual and received as indicated above in Receipt of Funds.

Trust Fund Loan Program (TFLP)
MFFA has authorization to loan up to a total of $15 million from the Permanent Coal Trust Fund (17-6-308(4), MCA). Loans are made to eligible borrowers from the Permanent Coal Trust Fund. Policy dictates whether staff may approve or if board approval is necessary.

Funds are disbursed by MBOI via ACH and loan repayments are collected by MBOI via ACH (see MBOI Internal Controls Policy). Process details can be found in MFFA Procedures Manual.

MFFA application fees are assessed as described in the Procedures Manual and received as described above in Receipt of Funds.

Intermediary Relending Program (IRP)
The MFFA Board may authorize the MFFA to pursue loans from the Rural Development ("RD") Intermediary Relending Program ("IRP"). Each loan from RD to the MFFA must be approved by the MFFA Board. Once approved, IRP funds are loaned alongside Direct Loan and Trust Fund loan programs. IRP loans can only be made to projects eligible for both RD funding and MFFA lending programs.

A separate IRP Account is created for each loan from RD to the MFFA in accordance with RD requirements. Funds received from repaid IRP loans flow back into the IRP fund. The MFFA can request RD permit a portion of funds be used to cover documented administrative costs on an annual basis. Funds are disbursed by MFFA via US Bank SinglePoint ACH. Loan repayments are also collected by MFFA via US Bank SinglePoint ACH. Process details can be found in MFFA Procedures Manual.

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MFFA application fee is assessed as described in the Procedures Manual and received as indicated above in Receipt of Funds.

Montana Capital Assistance Program (MCAP)
This is a grant program for eligible facilities. Upon receipt of an application by an eligible facility, MFFA staff verifies compliance with MCAP Guidelines and notifies grantee of approval, project, and amount. Once the project is complete, the grantee requests reimbursement from the MFFA. The MFFA verifies the 20% co-pay by the grantee. The MCAP Program may award up to $25,000 per grantee.

Commercial Property-Assessed Capital Enhancements Program (C-PACE)
C-PACE is a program that qualifies projects as eligible for private sector financing through low-cost, long-term loans to pay for water conservation, energy-efficiency improvements, and renewable energy retrofits. Loans made under the C-PACE program are secured by a voluntary tax assessment on the project property and are amortized over the projected life of the energy improvements.

RECEIPT OF FUNDS

MFFA assesses fees for originating and monitoring bonds, loans, and C-PACE projects as well as receives payments for program loans.

Assessments/Payments for the various programs are ~~indicated~~described below:

- Initial (origination) fees (see Procedures Manual for process)
  - Direct Loans
  - Trust Fund Loan Program
  - Bond/Note Issuance
  - C-PACE
- Annual fees (monitoring) (see Procedures Manual for process)
  - Bonds/Notes
  - C-PACE
- Loan repayment/service fees (see Procedures Manual for process)
  - Direct Loans
  - Trust Fund Loan Program

MFFA in its role as C-PACE Program Administrator, MCA 90-4-1305(1)(c), also receives assessment payments from the local government and distributes those payments to the commercial lender for each C-PACE Project. If applicable, C-PACE deducts its Annual fees from the payment received prior to final distribution to the commercial lender.

Checks
For payments made via check, incoming mail ~~All mail, including receipt of checks,~~ is ~~processed~~ received ~~through~~ by the ~~MFFA~~ Accountant and routed to MDOC Accounting for processing. The process to receive and route checks is in the Procedure Manual ~~Account balances and MFFA income are monitored monthly by the Accountant and the Executive Director.~~ ~~MBOI front office. See MBOI Internal Control Policy for process.~~

Wire Transactions

~~MFFA assesses borrowers for originating and monitoring bonds and loans. Checks received for this service are processed pursuant to MBOI Internal Controls Policy~~~~Checks are received as described above.~~ Funds received through wire transfers (most bond issues) are received by ~~the~~ Department of Administration's ~~OA's~~ Treasurer~~'s~~ Office. ~~Commerce Director's Office~~MDOC Accounting receives notifications and ~~,~~ codes and ~~sends~~ forwards the ~~reference~~ notice on to MFFA.

Automated Clearing House (ACH) Transactions

Direct Loan Program

Direct Loan repayments are entered into US Bank's SinglePoint ACH system by the Accountant according to the payment schedule. A batch for the total amount of all payments is initiated for the appropriate loan payment due date. The batch is then reviewed and approved by the Executive Director. The Accountant provides MDOC Accounting with notice of upcoming receipts and appropriate accounting codes for entry.

Trust Fund Loan Program

Trust Fund Loan repayments are processed by MBOI via their ACH system. The amounts collected via MBOI originate from the amortization schedule completed at the time of loan closing. Service fees are assessed and included in the loan interest rate in lieu of assessing an annual monitoring fee.

~~MFFA makes loans to borrowers and collects loan repayments through the MBOI.~~
~~loan repayments are collected by MBOI through the MDOC (portal??)MTCommerce portal of the US Banke ACH payment system SinglePoint via ACH. for loans made from the MFFA funds (Direct Loans).~~

~~Trust Fund Loan Program~~

~~The MFFA makes loans to borrowers and collects repayment through MBOI. sService fees are assessed and included in the interest rate in lieu of assessing an annual monitoring fee (Trust Fund Loans)..~~

Account balances and MFFA income are monitored monthly by the Accountant and the Executive Director.

SinglePoint

The MFFA uses the U.S. Bank SinglePoint ACH payment system to send loan proceeds and receive loan payments from borrowers in the Direct Loan Program. Roles for creation of templates (Associate Director), creation of debit/credit batches (Accountant) and approval of both templates and batches (Executive Director) are delegated between staff so that no single transaction can happen without at least two staff members entering and approving it.

~~Assessments for the various programs are indicated below:~~
~~Initial (origination) fees (see Procedures Manual for process)~~
~~Direct Loans~~
~~Trust Fund Loan Program~~
~~Bond/Note Issuance~~
~~C-PACE~~
~~Annual fees (monitoring) (see Procedures Manual for process)~~
~~Bonds/Notes~~
~~Loan repayment/service fees (see Procedures Manual for process)~~
~~Direct Loans~~
~~Trust Fund Loan Program~~

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RECONCILIATIONS

Income

Reconciliation of income is done monthly. MFFA receives funds from several sources:

- US Bank SinglePoint ACH receipts of ~~direct loanDL~~Direct Loan payments
- MBOI for ACH receipts ~~of direct loan payments and~~ of TFLP service fees and payments
- individual borrowers pursuant to invoices from MFFA
- trustees, pursuant to requests from MFFA with invoice attached, with receipt requested, primarily, via wire transfer

Checks and wires are processed by ~~Commerce~~ MDOC Accounting with MFFA providing appropriate accounting codes~~coding~~. Direct Loan ACH is managed by the MFFA directly from amortization schedules and Trust Fund Loan ACH is processed by MBOI directly from amortization schedules completed at the time of the loan closing.

~~Financial Specialist~~Accountant is responsible for income processing and tracking. Associate Director reconciles MFFA income spreadsheet to SABHRS monthly with the Executive Director verifying periodically. At a minimum, this is completed~~,~~ ~~but at a minimum~~ in June prior to FYE. During staff vacancies, Executive Director ~~(ED)~~ reconciles.

Trustee statements

While trustee statements are not a part of the MFFA financial statements, it is seen as a responsibility of the MFFA to review trustee statements for accuracy. Trustee statements are received from various trustees monthly~~,~~ or quarterly. The ~~Financial Specialist~~Accountant is responsible for verifying accuracy.

Verification of Outstanding Bond Loan/ Financial Balances

The MFFA tracks all bonds, notes, and loans completed since inception (see Procedures Manual). The reporting tools in its Salesforce database ~~This report (OSFEESUM)~~ shows FYE balances and redemptions during the year and subsequent years until maturity. Independent verification of outstanding balances is achieved by:

- Bonds and notes – individual verification letters sent to trustees
- TFLP – from MBOI
- DL – from SABHRS open items

~~**PROGRAMS**~~

~~**Bonds and Notes**~~

~~Bonds and notes are issued to borrowers for projects. Board authorization is required. Money for projects comes from either a public issuance where an underwriter receives money from investors or from a private placement, i.e., a bank or large investor such as GE. Typically, funds are placed into an escrow account and the borrower requests funds from the escrow agent or trustee. MFFA staff does not have access to those funds. Repayment of those bonds/notes comes from the borrower to: 1) the trustee who pays the investors; or 2) directly to the private holder of the bond/note.~~

~~MFFA application fee is assessed as described in the MFFA Reference Manual and received as indicated above in Receipt of Funds.~~

~~**Direct Loan Program (DL)**~~

~~Loans are made to eligible borrowers from MFFA's Fund Balance (Direct Loans). By policy, the maximum amount outstanding to any one borrower is $750,000. Loans are approved by staff pursuant to board policy and reported to the board at subsequent board meetings. Board policy identifies authorized staff. Two staff are required for the approval, one for the request/analysis, and one for the approval. If there are not two staff members available, a Board member will be asked to review and approve the request.~~

~~Funds are disbursed by MBOI MFFA via ACH and loan repayments are collected by MFFAMBOI via ACH. (see MBOI Internal Controls Policy). Process details can be found in MFFA Procedures Manual.~~

~~MFFA application fee is assessed as described in the Procedures Manual and received as indicated above in Receipt of Funds.~~

~~**Trust Fund Loan Program (TFLP)**~~

~~MFFA has authorization to loan up to a total of $15 million from the Permanent Coal Trust Fund (17-6-308(4), MCA). Loans are made to eligible borrowers from the Permanent Coal Trust Fund. Policy dictates whether staff may approve or if board approval is necessary.~~

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~~**Montana Capital Assistance Program (MCAP)**~~

~~This is a grant program for eligible facilities. Upon receipt of an application by an eligible facility, MFFA staff verifies applicability with MCAP Guidelines and notifies grantee of approval, project and amount. Once the project is completed, the grantee will request reimbursement from the MFFA. The MFFA will verify 20% co-pay by the grantee. The MCAP Program may award up to $25,000 per grantee.~~

AUTHORIZATION OF EXPENSES/PAYMENTS TO VENDORS

Invoices are given to the Executive Director (ED) for coding and payment. Upon authorization by ED, ~~BOI front office~~the ~~MFFA~~ Accountant copies or scans and sends to ~~Commerce~~ MDOC Accounting for processing. ~~MBOI~~ The Accountant saves a copy of scanned documents in MFFA's ~~computer directory~~shared computer drive (Monthly Payments) and links to the scanned documents are saved~~scan~~ in an Excel file showing monthly expenses. Upon absence of ED, Associate Director may approve and follow up with ~~provide~~ verbal and/or a copy of the authorization to ED. ~~Bills that are common and shared between BOI and MFFA are coded and pro-rated by BOI for MFFA authorization. MBOI's office manager may have authority to authorize expenses on behalf of MFFA and that authority is reflected in the authorized signature list.~~ ~~Commerce~~MDOC has internal controls for processing and verifying allowable signatories.

ED reviews SABHRS documents to verify that expenses are accurately coded. ~~Ultimately,~~ ED ~~will have~~maintains a tickler ~~card~~ reminder in ~~for~~ June to review ~~of~~ all expenses for the year.

PROCUREMENT CARD PRIVILEGES/PROCESS

Procurement cards are issued to state agencies to eliminate the need for employees to utilize their own funds for state agency business purchases and are to be used for state business only. Additionally, the State has implemented a request/policy to pay bills by pro cards. Cards MAY be issued once an employee has been with the agency for over one year and has shown commitment to the organization and its guiding policies and rules. The Executive Director will always have a card.

Purchases require a receipt reflecting the goods/services purchased. The Executive and Associate Directors have approval and/or acknowledgement authority for expenses. A receipt for an expenditure must be coded and approved for payment and sent to the ~~Department of Commerce~~MDOC Accounting for payment along with a cover sheet. The individual card holder may not authorize ~~her/his~~their own purchases. ~~Department of Commerce~~MDOC has policies in place for these expenditures, which the MFFA follows.

AUTHORITY FUND INVESTMENTS

MFFA downloads a weekly report detailing the STIP cash balance for ~~the Authority~~MFFA operations fund (06015) and Direct Loan fund (06012). The cash balances are maintained at or about $~~10,000~~15,000 and $1,000, respectively. Instructions to sell or purchase STIP to maintain these levels are originated by the ~~Financial Specialist~~Accountant and provided to the MBOI STIP manager. The processes to determine STIP balance and sell or buy funds is detailed in the Procedures Manual.

~~TICKLER SYSTEM~~

~~The MFFA Tickler is a shared calendar located in the Outlook software. The calendar is shared between all staff members of the MFFA. The tickler calendar is where all weekly, monthly, quarterly, annual, and one-time only task items are placed including:~~

~~Maturity of loan~~
~~Release of Mortgage/security once paid off~~
~~Return of Original Promissory Note~~
~~Interest rate resets~~
~~Reconciliation of Income~~
~~Fiscal year-end (also reflected in the procedures manual and in checklists)~~

~~The Financial Specialist is responsible for checking the tickler system regularly to assure that all items are completed. IT sets up access.~~

DATABASE

The MFFA database is a shared software as service database built on a Salesforce platform. The database is accessible by all MFFA staff via individual licenses with unique logins and passwords. The Executive Director, Associate ~~Director~~Director, and C-PACE Program Manager ~~Associate Director~~ (at the ED's discretion) have full administrative rights. The database contains relevant program financing data including, but not limited to:

- Project type
- Financing type, terms, ~~amount~~amount, and related costs
- Financing amortization schedule
- Borrower contact information
- Relevant dates such as pricing, call, ~~maturity~~maturity, and rate reset dates
- Annual fee estimates and payment history

The database also contains reports, ~~workflows~~workflows, and other tools to track financings and monitor borrower and MFFA compliance with relevant state and federal regulations.

~~The personal c~~Contact information ~~of~~for team members of MFFA financings ~~financing team members is also contained~~is maintained in the database. Only limited and publicly available personally identifying information is ~~available~~ maintained including:

- First and last name

- Company
- Title
- Address
- Work phone
- Work email

Commented [GA1]: Things to add: NDA, SinglePoint Access, PIVOT access, ???????

Montana Facility Finance Authority
Budget v. Actual Expenses
05/31/24
91.67 % Expended

Legislative Budget	Category	Year to Date			
		Budget	Actual	$ Variance	% Variance
$ 848,645	**A) INCOME**	**$ 591,017**	**1,026,137**	435,121	74%
135,000	Application Fees	123,750	31,536	(92,214)	-75%
588,645	Annual Fees	352,683	615,358	262,674	74%
125,000	Investment Income	114,583	372,634	258,051	225%
	Misc (Quad State conf/cost recovery)		6,609		
$ 368,296	**B) PERSONAL SERVICES EXPENSE**	**$ 337,605**	**429,772**	92,167	27%
361,296	Salaries & benefits	331,188	422,172	90,984	
7,000	Board Per Diem	6,417	7,600	1,183	
$ 364,774	**C) OPERATING EXPENSES****	**$ 235,586**	**$ 203,812**	$ (62,798)	**-27%**
101,538	Contracted & Other Services	93,077	45,883	(47,194)	-51%
	Misc. Other Services		22,736		
	Legal Services		18,278		
	Legislative Audit		329		
	ITSD		4,541		
34,336	Supplies/Materials/Equipment	31,475	8,045	(23,429)	-74%
8,200	Communications	7,517	5,840	(1,677)	-22%
28,861	Travel	26,456	31,390	4,934	19%
0	Equipment Lease	0	2,142	2,142	0%
	Building Lease Amortization	31,025	24,282	(6,743)	-22%
0	Repairs & Maintenance	0	0	0	0%
84,068	Miscellaneous	77,062	86,231	9,168	12%
	Commerce Department Services		57,890		
	Administration (statewide) Indirect Costs		2,758		
	Education		10,351		
	Other Miscellaneous		15,231		
$ 115,575	**REVENUES IN EXCESS OF EXPENSES (A-B-C)**	**17,826**	**392,553**	374,727	2102%
150,000	Grants-Obligated/Paid	75,000	50,000		
	Current Year Increase in Net Assets		342,553		
$ (34,425)					
	INCREASE (DECREASE) IN NET ASSETS		342,553		

* Income presented on CASH basis. GAAP accrual accounting would reflect approximately $10,512 less income annually, or < 1.82%

MFFA Reserve Balances

AS OF 6/01/2024

		Current Balance	Policy Guideline	
A/E 06015	**Operating Account Summary**			
	Total Fund Balance Available Net Capital Reserve "B" Balance	3,500,031		
	Less: Working Capital Reserve Requirement	1,626,140	1,626,140	(a)
	Available for Restricted Capital Reserve "A"	1,873,891	10,913,340	(b)
	Fund Balance: Sub-Total	3,500,031	12,539,480	
A/E 06015	**Trust Fund Loan Pool**			
	RC 710300, Accounts 521190	46,258		
	Plus: Prior Year End Capital Reserve "B" Fund Balance Sub Total	1,280,266		
	Capital Reserve "B" Fund Balance	1,326,524	1,280,266	(d)
A/E 06012	**Direct Loan Program**			
	Current Program Fund Balance	5,204,415		
	Less: Outstanding Loan Balance	4,534,066		
	Funds Available to Loan from Direct Loan Program	670,350		
	Fund Balance: Sub-Total	5,204,415	5,041,856	(c)
	Total Projected Fund Balance	10,030,970	18,861,602	

Notes:

Policy Guidelines - Minimum Funding Requirements

(a) Twice the current Fiscal Year annual budget.	813,070
(b) 10% of the outstanding BOI enhanced bond balance as of 7/1/23	109,133,401
(c) $5,041,856 as of 7/1/23 plus YTD loan payments, account investment earnings.	5,041,856
(d) 10% of the Trust Fund Loan Pool Balance as of 7/1/23	12,802,660

MONTANA FACILITY FINANCE AUTHORITY

Staff Approved Loans

4/1/2024-5/31/2024

Submitted Applications

Borrower	Location	Date Submitted	Term	Interest	Amount	Project
Total Pending Direct Loans:					**$ -**	

Approved Applications

Borrower	Location	Date Approved	Term	Interest	Amount	Project
Ruby Valley Medical Center (2025)	Sheridan	02/07/24	10	4.72%	$ 500,000	Hot Water Heaters
St. Johns Lutheran Ministries	Billings		7	4.69%	$ 500,000	Purchase RiverStone Hospice
Total Approved Direct Loans:					**$ 1,000,000**	

Funds Available Under

Direct Loan Program:

Loan Fund: (5/31/2024)	5,204,415
Total Outstanding Loans: (5/31/2024)	4,534,066
Approved Applications from above:	(1,000,000)
Total Available to Loan at 5/31/2024	**$ (329,651)**

Funded Applications from 7/1/23:

Borrower	Location	Date Funded	Term	Interest	Amount	Project
Mineral Community Hospital	Superior	11/08/23	7	4.83%	$ 119,645	Hot Water Heaters
Glendive Medical Center	Glendive	10/23/23	5	4.77%	$ 255,600	Radiology Equipment
Bitterroot Health	Hamilton	12/15/23	5	4.64%	$ 500,000	Radiology Equipment
Community Hospital of Anaconda	Anaconda	02/08/24	10	3.71%	$ 500,000	Hospital Expansion
Rimrock Foundation	Billings	03/07/24	3	4.43%	$ 400,077	Refinance of TFL & DL
Clark Fork Valley Hospital	Plains	03/21/24	5	3.99%	$ 300,000	Endoscopy Equipment and OR Table
Alternatives, Inc.	Billings	03/01/24	7	4.28%	$ 300,000	Remodel and New Hot Water System
Total Loans Funded since 7/1/23					**$ 2,375,322**	

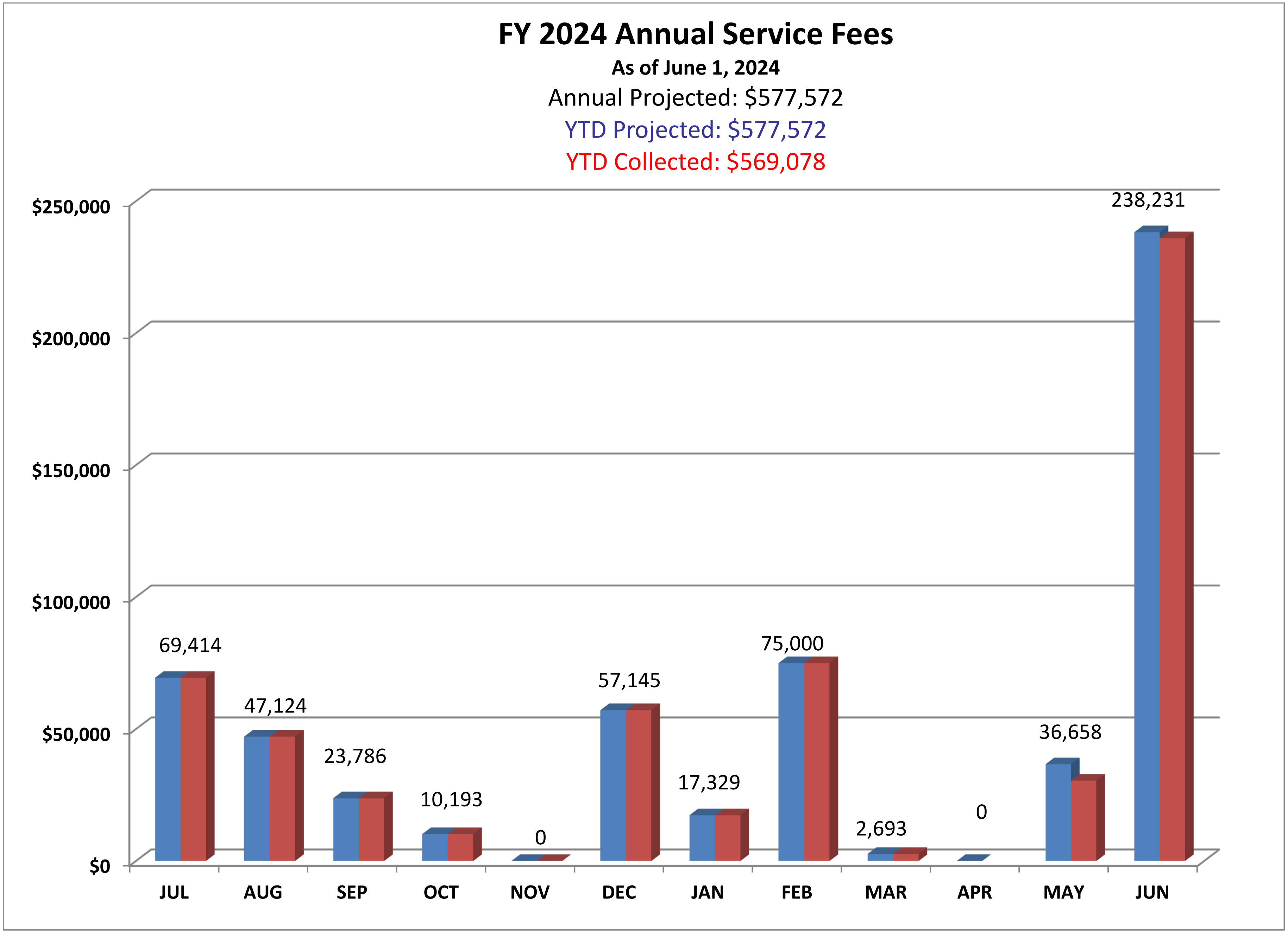
MONTANA FACILITY FINANCE AUTHORITY

Staff Approved Grants

4/1/2024-5/31/2024

Commitments Pending		Date	Date	Date				
Facility	*Location*	*Submitted*	*Approved*	*Paid*		*Amount*	*Project*	*Program*
Alternatives, Inc.	Billings	05/31/23	06/01/23		$	25,000	Pre-release Expansion	MCAP
Total Pending Grants:					$	25,000		

Grants Paid since 7/1/2023								
Grantee	*Location*	*Date*	*Approved*	*Paid*		*Amount*	*Project*	*Program*
Ruby Valley Medical Center	Sheridan	09/11/23	9/26/2023	11/17/2023	$	25,000	Clinic Expansion	MCAP
Daniels Memorial Healthcare	Scobey	01/23/23	03/06/23	2/21/2024	$	25,000	Hospital Expansion	MCAP
Total Grants:					$	50,000		



FY 2024 Annual Service Fees
As of June 1, 2024
Annual Projected: $577,572
YTD Projected: $577,572
YTD Collected: $569,078
$250,000
$200,000
$150,000
$100,000
$50,000
$0
69,414
47,124
23,786
10,193
0
57,145
17,329
75,000
2,693
0
36,658
238,231
JUL
AUG
SEP
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN

2024

APRIL

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	Board Mtg	24	25	26	27
28	29	30				

MAY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JUNE

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	Board Mtg	19	20	21	22
23/30	24	25	28	27	28	29

JULY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	Board Mtg	22	23	24
25	26	27	28	29	30	31

SEPTEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

OCTOBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	Board Mtg	24	25	26
27	28	29	30	31		

NOVEMBER

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

DECEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	Board Mtg	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

2025

JANUARY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

FEBRUARY

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

MARCH

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24/31	25	26	27	28	29

HOLIDAYS AND OBSERVANCES

1-Jan	**New Year's Day**	**4-Jul**	**Independence Day**	**28-Nov**	**Thanksgiving Day**
20-Jan	**MLK Day**	**2-Sep**	**Labor Day**	**25-Dec**	**Christmas Day**
17-Feb	**Presidents' Day**	**14-Oct**	**Columbus Day**		
27-May	**Memorial Day**	**11-Nov**	**Veterans Day Ob.**		

CONFERENCES

June 12-13	**PACENation, Nashville**	**Sep 24-26**	**MEDA Fall Conference, Havre**
June 16-18	**Quad State, Red Lodge**	**Oct 6-9**	**NAHEFFA, Fall Conference**
Sep 17-20	**MHA, Billings**	**Oct 23-25**	**MT Downtown Conf., Bozeman / Li**
Sep 17-19	**C-PACE Alliance, Chicago, IL**	**Oct 23-25**	**HFMA, Billings**
		Nov 13-15	**CDFA, Baltimore, MD**