

MONTANA FACILITY FINANCE AUTHORITY
Board Meeting

Benefis Health South Tower, Goodnow Boardroom
1101 26th Street South, Great Falls, Montana

June 17, 2025

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



MONTANA FACILITY FINANCE AUTHORITY

Department of Commerce

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PO Box 200506
Helena, MT 59620-0506
406.444.5435
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MEMORANDUM

To: MFFA Board Members
From: Adam Gill, Seth Lutter, Monica Birlut, and Carolyn Jones
Date: June 10, 2025
Subject: MFFA Board Meeting Tuesday, June 17, 2025

Enclosed, please find board meeting materials for our upcoming MFFA Board Meeting:

We have two bonds to consider, a tour of Benefis, an executive session for my mid-year performance review, strategic planning, and our standard reports. Clark Fork Valley Hospital is seeking approval for a standalone bond of approximately \$2.5 million to replace its air handling units. Benefis Health is seeking approval of approximately \$113 million in bonds to support a range of projects including senior housing, building renovations and new equipment. Before lunch we will have a tour of Benefis.

After lunch we will engage in strategic planning with the Department of Administration and review our normal updates and reports. Before adjourning, Department of Commerce HR will lead the Board in my mid-year performance review during an executive session.

Carolyn will be late joining us at the meeting as she is receiving an Ally Award from the Great Falls Development Alliance that morning.

As always, please call or write if you have any questions.

MICROSOFT TEAMS INSTRUCTIONS

[Conference Link](#)

Meeting ID: 295 226 091 031 4

Password: G9As7TL7

OR

Dial by Telephone: +1 406-318-5487

Meeting ID: 456 899 940

MONTANA FACILITY FINANCE AUTHORITY

Board Meeting

June 17, 2025

Benefis Hospital – Goodnow Board Room

Great Falls, MT

MEETING AGENDA

9:00 I. CALL TO ORDER

- A. Roll Call
- B. Approval of Meeting Minutes (4/28)
- C. Disclosure and Conflict of Interest

II. PUBLIC COMMENT on Board Related Items

III. FINANCINGS

A. Clark Fork Valley Hospital

- 1. Loan Summary
- 2. Resolution No. 25-04

Joining Remotely:

Carla Neiman, CFO – Clark Fork Vally Hospital

Joining in Person:

Nathan Bilyeu, Bond Counsel – Jackson, Murdo & Grant

10:00 B. Benefis Health System

- 3. Resolution No. 25-05

Joining in Person:

John Goodnow, CEO – Benefis Health System

Bruce Houlihan, CFO – Benefis Health System

Nathan Bilyeu, Issuer's Counsel – Jackson, Murdo & Grant

Joining Remotely:

John Andersen, Financial Advisor – Kaufmann Hall

Robyn Helmlinger, Bond Counsel – Orrick, Herrington & Sutcliffe

Peter Reilly, Underwriter – Barclays

10:30 IV. GENERAL ADMINISTRATIVE

A. Financials

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

11:00 **Tour of Benefis**

12:00 Working Lunch

B. Miscellaneous

- 1. Strategic Planning

Joining remotely:

Sarah Bartow, Agency Performance Advisor – MT Dept of Admin

Adam Carpenter, Chief Data Officer – MT Dept of Admin

- 2. Outreach & Marketing Report
- 3. Anticipated Financings

1:30

C. Executive Session

1. Executive Director mid-year performance review

Joining Remotely:

Mandy Rambo, Acting Director – MT Dept of Commerce

Sarah Green, Human Resources – MT Dept of Commerce

2:00

DISMISS

**MICROSOFT TEAMS
INSTRUCTIONS**

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MONTANA FACILITY FINANCE AUTHORITY

Board Meeting

April 28, 2025

9:00 A.M.

MINUTES

BOARD MEMBERS

PRESENT:

William Northey
Craig Anderson
JoAn Cuffe
Vu Pham (online)
John Iverson
Eric Hanson
Mel Reinhardt

BOARD MEMBERS

ABSENT:

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
Julie Walsh, CFO – Allied Steel (online)
Ben Johnson, Bond Counsel – Ballard Spahr (online)
Marc Stasiowski, VP Public Finance – Wells Fargo (online)
Greg Blonde, Bond Counsel – Orrick (online)

BOARD MEETING

CALL TO ORDER

Board Chair Pham called the April 28, 2025, board meeting of the Montana Facility Finance Authority (the “Authority”) to order at 9:00 A.M. The meeting convened with all members of the Board present.

Minutes

Board Member Northey moved for approval of the February 19, 2025, board meeting minutes. Board Member Cuffe seconded the motion which passed unanimously.

CONFLICT OF INTEREST

Call was made for announcement of any conflict of interest and recusals. Chairman Pham noted his work with Southworth and recused himself from discussion and voting on the related resolution.

PUBLIC COMMENT

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

FINANCINGS

Southworth Holdings

Mr. Gill introduced Julie Walsh, CFO – Allied Steel (online), Ben Johnson, Bond Counsel – Ballard Spahr (online), and Marc Stasiowski, VP Public Finance – Wells Fargo (online) and provided a description of the IDB project. The financing is to refinance the existing construction loans for the manufacturing facility constructed on its property. The overall project size was \$16 million, of which the IDB can reimburse \$10 million with the rest being borrower funds. Ms. Walsh described the business and the project.

Board Chair Pham requested a motion for approval of the financing resolution. Board Member Iverson motioned for approval of the financing Resolution 25-01. Board Member Northey seconded the motion. Ben Johnson, Bond Counsel – Ballard Spahr (online) described Resolution 25-01 which passed unanimously.

Integrated Senior Foundation

Mr. Gill introduced TEFRA Resolution 25-02 pertaining to Integrated Senior Foundation and that the TEFRA hearing is the only part of the financing the MFFA will be a part of.

Board Chair Pham requested a motion for approval of the TEFRA resolution. Board Member Reinhardt motioned for approval of the financing Resolution 25-02. Board Member Hanson seconded the motion. Greg Blonde, Bond Counsel – Orrick (online) described Resolution 25-02 which passed unanimously.

Carbon Based Solutions

Mr. Gill introduced Inducement Resolution 25-03 pertaining to Carbon Based Solutions which is building a biochar manufacturing facility in Deer Lodge. The bond financing is currently targeted for equipment and/or eligible facility costs of a new production facility. The development allows Carbon Based Solutions to develop its biochar production plant near the Deer Lodge mill which will provide wood waste for the process.

Board Chair Pham requested a motion for approval of the inducement resolution. Board Member Northey motioned for approval of the financing Resolution 25-03. Board Member Reinhardt seconded the motion. Nathan Bilyeu, Authority Counsel – Jackson, Murdo & Grant described Resolution 25-03 which passed unanimously.

GENERAL ADMINISTRATIVE

Financials

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

Legislative Update

Mr. Gill discussed the Authority's bills and the success of several bills and how that will impact operations going forward. He also discussed the current federal policy outlook for tax-exempt private activity bonds.

Strategic Planning

Mr. Gill discussed the upcoming process for MFFA's strategic planning development and what to expect when the MFFA creates its new strategic plan.

Outreach and Marketing & Anticipated Financings

Mr. Gill presented the anticipated financings the MFFA is actively working on. Carolyn Jones presented on C-PACE progress.

BOARD EDUCATION

Nathan Bilyeu, Authority Counsel – Jackson, Murdo & Grant presented on the new options for bond finance since SB 104 was passed in the legislature

ADJOURN

Board Chair Pham adjourned the meeting at 11:13 A.M.

APPROVE: _____
Vu Pham, Board Chair

ATTEST: _____
Adam Gill, Executive Director

APPROVAL DATE: _____

**Clark Fork Valley Hospital
Plains, Montana
Private Placement Bond
Loan Summary**

ELIGIBLE HEALTH FACILITY

Plains Hospital Corporation is a private, not for profit 501c3 corporation that operates Clark Fork Valley Hospital (the “Hospital” or “CFVH”) and Family Medicine Network in Sanders County, Montana. The 16-bed hospital is located in Plains, MT and operates remote rural health clinics in Thompson Falls and Hot Springs, MT, in addition to a clinic co-located with the hospital in Plains. CFVH also operates a 28 bed Long Term Care facility at the hospital location. In addition to Acute Care, Long Term Care, Rehab (Swingbed) and Primary Care, the Hospital provides Emergency, Surgery (Ortho, General), Laboratory, Radiology, Therapy and Hospice services to the residents of Sanders County.

PROJECT AND COST

On May 14th, 2025, the MFFA received a financing application from CFVH for \$2.50 million to finance new air handling units for the Hospital. The hospital facility is mainly served by a packaged outdoor roof mounted air handling unit (AHU) that was installed in 2004 in the course of the building expansion/renovation project that was completed at that time. The AHU is now over 20 years old, at end of life and due to its design it is extremely difficult to repair or replace portions of the unit to extend its life. The main AHU serves 80% of the total building square footage and failure would be catastrophic to building operations. CFVH engaged ACE Inc. in 2024 to perform a review and recommend a strategy for replacement of the AHU. After their review, the most cost-effective and practical solution is to install a replacement unit in a different location, ducted to the existing building ductwork. The old unit will be decommissioned and removed. The new unit will be designed as a modular unit with redundancy to avoid the risk of catastrophic failure in the future and allow for appropriate repair and replacement. The project will also provide for an upgrade of the building controls and a new RTU to serve the kitchen area.

SOURCES AND USES

Sources:	
Bond Proceeds	3,157,104
CFVH May Contribute Additional Funds	42,896
TOTAL	\$3,200,000
Uses:	
New Air Handling Units	1,321,400
Architectural and Engineering	700,500
Contractor, General Contractor,	
Insurance, Ect.	735,200
Contingencies	442,900
TOTAL	\$3,200,000

<u>PROGRAM</u>	Private Placement
<u>LOAN TERM</u>	Not to exceed 15 years
<u>INTEREST RATE</u>	FHLB 10 Year Advanced Rate Plus 1.64% at time of closing
<u>PAYMENT</u>	TBD
<u>CLOSING DATE</u>	Est. August 2025
<u>MATURITY DATE</u>	Est. August 2037
<u>SECURITY</u>	2 nd Deed of Trust / Mortgage on all CFVH Real Estate and Business Assets

UTILIZATION STATISTICS

Utilization Stats	2022	2023	2024
Available Beds	16	16	16
Hospital Patient Days	1,352	1241	1155
Swing Bed Patient Days	529	696	804
Average Daily Census	3.61	3.28	3.16
Emergency Room Visits	4,120	3608	3659
Nursing Home Patient Days	8080	9552	9829
Plains Clinic Visits	10,382	11826	13065
Thompson Falls Clinic Visits	5,018	5599	6074
Hot Springs Clinic Visits	3,003	2654	2707
Observation Days	326	427	411

PAYOR MIX

Payor Mix	2022	2023	2024
Medicare	52%	54%	57%
Medicaid	22%	20%	16%
Commercial	24%	25%	25%
Self Pay	2%	2%	2%
Total	100%	100%	100%

MARKET/COMPETITION

CFVH is the sole hospital provider in Sanders County, MT, which generally represents its market area. Sanders County had a 2023 population of approximately 13,700. The local population is older than average for the state of Montana and per capita income tends to be lower than the statewide average. The Hospital's largest payers are Medicare and Medicaid. The Hospital is the largest employer in the county. CFVH's largest competitors are the tertiary hospitals in Missoula and Kalispell (Providence St. Patrick, Community Medical Center, and Logan Health).

GOVERNANCE

Clark Fork Valley Hospital is governed by a ten-member Board that includes eight members from the communities serviced by the Hospital (Plains, Thompson Falls & Hot Springs), the CEO of the hospital, and the Chief of the Medical Staff. The bylaws provide for representation from each of the Missoula hospitals, but currently those hospitals are not providing a board representative. Board members serve staggered three-year terms.

MANAGEMENT

Gregory S. Hanson MD, President/CEO, is a board-certified Family Physician who moved to Plains, MT and had a full-time broad spectrum rural medical practice until 2008. In December 2007, he started his service as the CEO of Clark Fork Valley Hospital. Dr. Hanson practiced as a Family Medicine provider for Thompson Falls Family Medicine for over 13 years in addition to serving the hospital as one of its Obstetrics providers. His areas of interests include pediatrics, geriatrics and chronic pain.

Carla A. Neiman, Chief Financial Officer and Risk Manager, has worked as CFO at Clark Fork Valley Hospital since 2002. Prior to that, she held positions as Director of Communications and Development, Business Office Manager and Special Projects Manager at the hospital. She served on the hospital's Governing Board for 8 years prior to joining the staff. Mrs. Neiman has a BS in Business Finance from Montana State University, Bozeman, and a Masters in Healthcare Administration from the University of Minnesota. She is an active member and Past President of the Montana Chapter - Healthcare Financial Management Association. She additionally serves as a board member of the Monida Healthcare Network and chairs the Montana Board of Nursing Home Administrators.

Jeanie Gentry, Chief Operating Officer, joined CFVH in May 2023. Jeanie obtained her Bachelor of Arts degree in Human Resource Development. She accepted a position at St. John's Lutheran Hospital in Libby, MT. During her time in Libby, she received her Masters of Healthcare Administration (MHA) from Montana State University while serving as the Vice President of Allied Health Services for the hospital. Ms. Gentry left Montana in 2011 and served as CEO for several Critical Access Hospitals in Oregon, Idaho and most recently Colorado before coming to work at CFVH.

Lisa Eberhardt RN, Chief Nursing Officer, has been a registered nurse for 40 years and has been the Chief Nursing Officer and Infection Preventionist at CFVH in Plains, MT since 2016. Prior to that, she held the position of Director of Surgical and Hyperbaric Services at St. John's Pleasant Valley Hospital in Camarillo, California. Mrs. Eberhardt has a BS in Nursing from California State University Northridge, and is currently working on a Masters in Healthcare Management from Columbia Southern University. Lisa is currently working towards her MBA in Healthcare Management and has a national certification in operating room care, CNOR.

HISTORICAL FINANCIALS

FISCAL YEARS ENDED 12/31	2022	2023	2024
ASSETS			
Cash & Cash Equivalents	11,847,132	12,752,091	14,822,644
Investments	7,593,477	8,276,121	8,682,835
Patient Receivables	3,993,944	4,392,595	4,195,617
Other Receivables	3,204,408	2,141,569	1,891,774
Inventory	1,576,161	1,694,140	1,475,977
All Other Current Assets	173,863	31,191	30,630
Total Current Assets	\$ 28,388,985	\$ 29,287,707	\$ 31,099,477
Fixed Assets	19,478,640	19,732,881	19,876,534
Accumulated Depreciation	14,964,361	15,507,311	15,890,698
Fixed Assets (net)	4,514,279	4,225,570	3,985,836
Board Designated Funds	-	-	-
Other Assets	177,306	139,006	93,084
Total Assets	\$ 33,080,570	\$ 33,652,283	\$ 35,178,397
LIABILITIES			
Accounts Payable & Other Accrued Expenses	6,199,929	5,395,975	5,824,310
Current Portion of Long-Term Debt	416,836	357,041	430,278
Other Current Liabilities	38,001	48,065	36,825
Total Current Liabilities	\$ 6,654,766	\$ 5,801,081	\$ 6,291,413
Long-Term Debt (Less Current Portion)	5,335,586	4,981,985	4,812,748
Other Long-Term Liabilities	120,958	63,417	26,602
Unrestricted Fund Balance	20,969,260	22,805,800	24,047,634
Restricted Fund Balance	-	-	-
Fund Balance	20,969,260	22,805,800	24,047,634
Total Liabilities & Fund Balance	\$ 33,080,570	\$ 33,652,283	\$ 35,178,397
Net Patient Service Revenue	28,609,210	30,399,087	32,684,931
Other Operating Revenue	620,527	1,842,132	1,117,368
Total Operating Revenue	\$ 29,229,737	\$ 32,241,219	\$ 33,802,299
Interest	266,332	256,503	252,067
Depreciation & Amortization	764,713	765,071	796,403
Other Operating Expenses	28,104,468	29,383,105	31,511,995
Total Operating Expenses	\$ 29,135,513	\$ 30,404,679	\$ 32,560,465
Income from Operations	\$ 94,224	\$ 1,836,540	\$ 1,241,834
Nonoperating Revenue	-	-	-
Excess of Rev Over Exp Excl Extraord Items	\$ 94,224	\$ 1,836,540	\$ 1,241,834
Interest Expense	266,332	256,503	252,067
Amortization & Depreciation Expense	764,713	765,071	796,403
Funds Available for Debt Service	\$ 1,125,269	\$ 2,858,114	\$ 2,290,304
Prior Year's Current Portion of Long-Term Debt	583,401	416,836	357,041
Debt Service	849,733	673,339	609,108
Maximum Debt Service	849,733	673,339	609,108

KEY RATIOS

CAH Financial Indicator				Is this a Favorable	2023 MT Median
	2022	2023	2024	Trend?	
Days Cash on Hand	250.11	258.95	270.10	Yes	78.00
Days in Accounts Receivable	50.96	52.74	46.85	Yes	51.00
Operating Margin	0.32%	5.70%	3.67%	No	-7.20%
Debt Service Coverage	1.32	4.24	3.76	No	0.2
Debt to Capitalization	20.28%	17.93%	16.68%	Yes	48.40%
Average Age of Plant (Years)	19.57	20.27	19.95	Yes	14.8

FINANCIAL OBSERVATIONS

Current Assets / Liabilities:

- Cash and cash equivalents increased from \$11.84 million in FY 2022 to \$12.75 million in FY 2023 to \$14.82 million in FY 2024. The Hospital manages cash conservatively and works to build reserves over time. When the Hospital gets a large annual payment, such as the HUF, it tries to keep as much in reserve as possible – in 2024 that was nearly \$2 million. CFVH also has invested cash reserves which has paid off and is trying to take advantage of the higher interest rates.
- Other receivables have decreased from \$3.20 million in FY 2022 to \$1.89 million in FY 2024. This change is related to the outstanding transactions in the draft financials. The Hospital had a large (\$357,000) Medicare payback pending at YE 2024 due to its interim rate review and there is no settlement posted as yet for the Medicare and Medicaid cost reports for YE 2024. Preliminary indication is that the Hospital will have \$500,000 receivable for Cost Report Settlements. CFVH had an unusually large cost report settlement at YE 2022.
- Operating expenses have increased from \$29.13 million in FY 2022 to \$32.56 million in FY 2024. The Hospital has seen significant increases in salaries and supplies post-covid. CFVH sees continuing pressure on wages and doesn't believe it will slow anytime soon. The Hospital is working to stay competitive so that it can fill positions (the Hospital competes across western MT including Missoula and Kalispell for staff). Nursing in particular is very difficult to staff. The Hospital has also seen high pressure on lower end wages, aides, dietary, housekeeping and laundry. CFVH is part of the Vizient buying group with Providence for purchasing supplies and that helps to manage supply costs, but drug prices in particular have seen very high inflation.

Revenues and Expenses:

- Patient service revenue has increased from \$28.60 million in FY 2022 to \$32.68 million in FY 2024. This change is believed to be because of changes in service mix, some increase in patient days (nursing home days have increased significantly over this period and the Hospital has increased those rates in 2023 and 2024 in conjunction with the increase in Medicaid reimbursement), and adding providers to its clinics. The Hospital also saw an increase in swing bed days and observation days. The increase in observation has been associated with pressures from Medicare Advantage payers.

ANTICIPATED FINANCIAL CHANGES DUE TO PROJECT

This financing provides no estimated financing savings to the Hospital. This is a critical piece of equipment for the hospital to function. Clark Fork Valley Hospital is the sole provider of Acute Care

and Ancillary hospital services in Sanders County in western MT. The building also serves as “home” to 28 Long Term Care residents. This project will ensure that the facility remains viable to continue serving the residents of Sanders County well into the future.

PRO FORMA

Pro Forma	2022	2023	2024	Pro Forma FY 2024
Revenues Minus Expenditures	94,224	1,836,540	1,241,834	1,241,834
Add Depreciation/Amortization	764,713	765,071	796,403	796,403
Interest Expense	266,332	256,503	252,067	252,067
Available for Debt Service	1,125,269	2,858,114	2,290,304	2,290,304
Existing Debt Service	583,401	416,836	357,041	357,041
Debt Service on New Money	N/A	N/A	N/A	321,748
Total Debt Service	849,733	673,339	609,108	930,856
Debt Service Ratio Calculation	1.32	4.24	3.76	2.46

**Debt Service on New Money is an estimate based on term sheet interest calculation of 6.10%

FINANCE TEAM MEMBERS

Finance Team Member	Firm	Primary
Bond Counsel	Jackson, Murdo & Grant	Nathan Bilyeu
Purchaser	First Security Bank - Missoula	Andy Larson, Mike Baxter
Borrower's Counsel	Garlington, John, & Robinson	Gary Chumrau, Rob Nowels

STRENGTHS

- Even though the Hospital is small, it has the ability to handle the debt service.
- The Hospital has had year-after-year positive cash flow since 2015.
- Management experience and knowledge is high.

WEAKNESSES

- Difficult operating environment for rural healthcare.
- Project will not bring revenues to the facility, is critical to the operations of the Hospital.

RECOMMENDATION

The MFFA has a reasonable expectation of loan repayment by Clark Fork Valley Hospital and approval is recommended for these reasons:

- The Hospital can afford the debt service.
- The equipment is critical to the Hospital’s operation.

RESOLUTION NO. 25-04

RESOLUTION RELATING TO A REVENUE BOND, SERIES 2025 (CLARK FORK VALLEY HOSPITAL PROJECT); MAKING FINDINGS WITH RESPECT TO THE PROJECT AND THE BOND; AUTHORIZING AND APPROVING THE SALE AND ISSUANCE OF THE BOND SECURED BY A MORTGAGE AND BY PAYMENTS TO BE RECEIVED PURSUANT TO A LOAN AGREEMENT, AND AN ASSIGNMENT OF THE AUTHORITY'S INTEREST IN THE LOAN AGREEMENT AND PAYMENTS THEREUNDER TO THE OWNER OF THE BOND; AND AUTHORIZING THE EXECUTION OF DOCUMENTS.

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

ARTICLE I

RECITALS

Section 1.01. The Authority is authorized by Montana Code Annotated, Title 90, Chapter 7, Parts 1, 2 and 3, as amended (the "Act"), to issue and sell its revenue bonds and loan the proceeds thereof to one or more institutions (as defined in the Act) to finance, refinance or provide reimbursement for certain allowable costs of acquiring, constructing and equipping eligible facilities (as defined in the Act). Bonds so issued are payable solely from the revenues and assets derived from the participating institutions (as defined in the Act) and do not constitute a debt, liability or obligation of the State of Montana (the "State") or a pledge of the faith and credit thereof. The Authority is required to secure the bonds by pledging the revenues received from the participating institutions. The Authority may also secure the bonds by mortgages, assignments and other security devices deemed advantageous by the Authority pursuant to a trust agreement between the Authority and a corporate trustee.

Section 1.02. Plains Hospital Corporation d/b/a Clark Fork Valley Hospital (the "Corporation") is a Montana nonprofit corporation authorized to do business in the State.

Section 1.03. The Corporation desires to make improvements to its hospital facility to include replacement of an air handling unit and any necessary related improvements to the heating, ventilation, and air conditioning system (the "Project") and has requested that the Authority, acting pursuant to and in accordance with the Act, authorize the issuance of its Montana Facility Finance Authority Revenue Bond, Series 2025 (Clark Fork Valley Hospital Project) (the "Series 2025 Bond"), in a principal amount not to exceed \$3,157,104, the proceeds of which will be loaned by the Authority to the Corporation to fund a portion of the costs of the Project (the "Loan"). Under the provisions of the Act, the Series 2025 Bond shall be a special, limited obligation of the Authority payable solely from revenues, including loan repayments from the Corporation, and shall not constitute a debt, liability, obligation or pledge of the faith, credit or taxing powers of the State. The Corporation also anticipates contributing available cash to fund the costs of issuance and any other costs of the Project not covered by the Loan.

Section 1.04. The Authority has heretofore called and noticed, and intends to conduct, a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), with respect to the financing of the Project and the issuance and sale of the Series 2025 Bond. At the public hearing, all persons who appear will be afforded an opportunity to express their views with respect to the proposal to issue the Series 2025 Bond to finance the Project. Following the public hearing but prior to the issuance of the Series 2025 Bond, the Governor of the State is expected to approve the issuance of the Series 2025 Bond.

Section 1.05. The following documents relating to the Series 2025 Bond have been prepared, which documents in proposed form are before this Authority at this meeting and shall be placed on file in the office of the Authority:

- (a) The Financing Agreement (the “Financing Agreement”) to be entered into by and between the Authority and the Corporation;
- (b) The Loan Agreement (the “Loan Agreement”) to be entered into by the Authority and the Corporation;
- (c) The Depository Trust Agreement (the “Depository Agreement”) to be entered into by and between the Authority and the First Security Bank (the “Bank”), in its capacity as depository bank (the “Depository Bank”) and Series 2025 Bond registrar (the “Registrar”);
- (d) The Mortgage, dated as of the date of issuance of the Series 2025 Bond, between the Corporation and the Authority (the “Mortgage”);
- (e) The Promissory Note of the Corporation (the “Series 2025 Obligation”) authorized to be executed and delivered by the Corporation and which is secured by the Mortgage;
- (f) The Assignment of Loan Documents (the “Assignment”), to be executed by the Authority in favor of the Bank, in its capacity as the Owner of the Series 2025 Bond;
- (g) The form of the Series 2025 Bond (the “Series 2025 Bond Form”); and
- (h) The Tax Agreement, to be entered into by and among the Corporation, the Depository Bank, and the Authority.

Section 1.06. Unless the context requires otherwise, the terms defined in Section 1.01 and elsewhere in the Financing Agreement shall, for all purposes of this Resolution (including the recitals and exhibits hereto), be incorporated herein by this reference, and shall have the meanings specified in such places, such definitions to be equally applicable to both the singular and plural forms of any of the defined terms.

ARTICLE II

FINDINGS

Based on information provided by the Corporation and such other facts and circumstances as the Authority deems relevant, the Authority hereby finds, determines and declares as follows:

(a) Each of the facilities being financed by the Project is an “eligible facility” within the meaning of the Act, and will be owned and/or operated by the Corporation, which is an “institution” within the meaning of the Act;

(b) The Loan payments to be made by the Corporation pursuant to the Loan Agreement and the Series 2025 Obligation are scheduled to be sufficient to pay the principal of, and interest on the Series 2025 Bond, when due, to maintain sufficient reserves therefor, to meet all other obligations in connection with the Loan Agreement and to provide for costs of servicing and securing the Series 2025 Bond and the Loan;

(c) The loan of the proceeds of the Series 2025 Bond to the Corporation pursuant to the Loan Agreement will not exceed the total eligible costs of the Project as determined by the Corporation;

(d) Based solely upon information provided and representations made by the Corporation, the Revenues are expected to be sufficient to provide for the payment of the principal of and interest on the Loan as due;

(e) Pursuant to the Depository Agreement, the Loan payments and amounts payable under the Loan Agreement and the Series 2025 Obligation are pledged to the payment of the principal of, premium, if any, and interest on the Series 2025 Bond;

(f) Based solely on information provided and representations made by the Corporation, to the extent required under Montana law, the facilities to be refinanced by the Project were reviewed and approved by the appropriate regional and state health planning boards and received any approval required by Montana Code Annotated, Title 50, Chapter 5, Part 3, as amended;

(g) Based solely on information provided and representations made by the Corporation, the facilities being refinanced through the Project did not and do not significantly affect the quality of the human environment, within the meaning of Montana Code Annotated, Section 75-1-201(1)(b)(iii);

(h) The Project Facilities are or will be owned and/or operated by the Corporation for the purpose of fulfilling its obligations to provide health care facilities;

(i) Based solely upon information provided and representations made by the Corporation, the Corporation has sufficient experience and expertise to operate the facilities being refinanced; and

(j) Based solely upon information provided and representations made by the Corporation, the Project is financially feasible and the Corporation will have sufficient revenues to provide for the payment of the principal of and interest on the Loan, as due.

The foregoing findings and determinations are made pursuant to the Act and are not made for the benefit of, and may not be relied upon by the Owner of the Series 2025 Bond.

ARTICLE III

APPROVAL AND AUTHORIZATIONS

Section 3.01. Subject to compliance with the terms of the Act and this Resolution, the Project is hereby approved, and the Authority shall make the Loan to the Corporation for the purpose of providing the financial assistance requested by the Corporation therefor. To fund the Loan, the Authority hereby authorizes the issuance of the Series 2025 Bond and the sale of the Series 2025 Bond to the Bank, in its capacity as the purchaser and original Owner of the Series 2025 Bond (the "Purchaser"), at par, subject to the following, which the Executive Director is hereby authorized to approve:

(a) the principal amount of the Series 2025 Bond; provided that such principal amount shall not exceed \$3,157,104;

(b) the tax-exempt interest rate shall be a fixed rate determined at closing based upon the Federal Home Loan Bank of Des Moines Ten Year Long-term Fixed Advance Index plus a margin of 1.64% (said margin may be adjusted if the Loan term is shortened to less than ten-years, but such adjustment shall in no case materially impair the ability of the Corporation to service the Loan), as of April 30, 2025, that rate would be 6.10% for the Series 2025 Bond.

(c) the final maturity of the Series 2025 Bond is expected to be twelve years (and in no event shall exceed fifteen years) from the date of issuance of the Series 2025 Bond; and

(d) the provisions for prepayment, purchase, and redemption of the Series 2025 Bond prior to its stated maturity.

Such approval by the Executive Director shall be conclusively evidenced by the Executive Director's execution of the documents approved herein.

The Series 2025 Bond shall be dated its date of issuance and shall be issued as a single fully registered bond, without number, in substantially the same form as the Series 2025 Bond Form, which is incorporated herein by this reference.

The Series 2025 Bond shall be a special limited obligation of the Authority, payable solely from the money and investments in the Bond Fund.

The State is not liable on the Series 2025 Bond. The Series 2025 Bond is not a debt of the State, and neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of or the interest on the Series 2025 Bond. The Owner of the Series 2025 Bond

shall have no right to compel the exercise of the taxing power, if any, of the State or any political subdivision thereof to pay any principal of or interest on the Series 2025 Bond.

The Series 2025 Bond shall be secured by the Mortgage and by a pledge of the money and investments in the Bond Fund. As additional security for the Series 2025 Bond, the Authority shall assign its rights, title and interests in the Series 2025 Obligation, the Loan Agreement and all other loan documents to the Owner of the Series 2025 Bond, without recourse, pursuant to the Assignment.

The Series 2025 Bond shall be executed on behalf of the Authority with the facsimile or manual signatures of the Chair and the Executive Director of the Authority, and shall be authenticated by an authorized representative of the Registrar.

Section 3.02. The Authority hereby authorizes, accepts, approves and agrees to all the terms and conditions of the following documents, in substantially the forms available to the Authority on this date, with such additions, deletions and modifications as are hereafter deemed by the Chair, the Executive Director and the Associate Director of the Authority, or any one or more of them acting alone or in combination, to be in the best interest of the Authority, which documents authorize, *inter alia*, the delivery of the Series 2025 Bond; the Loan of the proceeds of the Series 2025 Bond to the Corporation for the Project; the appointment of the Bank as the Depository Bank and Registrar; the establishment with the Depository Bank of a “Bond Fund” as a special trust fund for the payment of and security for the Series 2025 Bond; the pledge of the money and investments in the Bond Fund as security for the Series 2025 Bond; and the assignment or delegation, as appropriate, of the Authority’s rights, title and interest in the Loan Agreement, the Series 2025 Obligation and all other loan documents to the Owner, without recourse, as additional security for the Series 2025 Bond:

- (a) The Financing Agreement,
- (b) The Loan Agreement,
- (c) The Depository Agreement,
- (d) The Series 2025 Obligation,
- (e) The Mortgage;
- (f) The Assignment;
- (g) The Tax Agreement; and

(h) All other certificates, documents and other papers which, in the judgment of either the Chair, the Executive Director and/or the Associate Director of the Authority (whoever actually executes such documents), are necessary to the sale and delivery of the Series 2025 Bond, and the Loan of the proceeds thereof to the Corporation for the Project.

Section 3.03. The Chair, the Executive Director and the Associate Director of the Authority, or any one or more of them acting alone or in combination, are each hereby authorized

and directed to execute or endorse and assign, as appropriate, for and on behalf of the Authority, and to deliver to the parties entitled to executed copies of the same, the Financing Agreement, the Loan Agreement, the Depository Agreement, the Tax Agreement, the Assignment and the certificates, documents and other papers described in Section 3.02(h) hereof, in each case, with such additions, deletions and modifications as are hereafter deemed by the Chair, the Executive Director and/or the Associate Director of the Authority (whoever actually executes such documents) to be necessary to conform such documents to each other and/or to be in the best interests of the Authority. The Chair and the Executive Director of the Authority are hereby authorized and directed to execute, for and on behalf of the Authority, the Series 2025 Bond, and to deliver the same to the Purchaser in consideration of payment in full of the purchase price therefor. The Chair, the Executive Director and the Associate Director of the Authority, or any one or more of them acting alone or in combination, are authorized, for and on behalf of the Authority, to endorse to the Owner, without recourse, any and all negotiable instruments made payable to the Authority in payment for the Series 2025 Bond. The Chair, the Executive Director and the Associate Director of the Authority, or any one or more of them acting alone or in combination, are hereby authorized and directed to take such other actions to consummate the sale of the Series 2025 Bond as may be necessary or desirable.

Section 3.04. The Series 2025 Bond shall not be valid or obligatory for any purpose or be entitled to any right or benefit hereunder unless an authorized representative of the Registrar shall have manually signed on the Series 2025 Bond a certificate of authentication. Such certificate of authentication shall be conclusive evidence that the Series 2025 Bond so authenticated has been duly issued under this Resolution, and that the Owner is entitled to the benefits hereof.

Section 3.05. The Authority, the Registrar, the Corporation and their respective successors, each in its discretion, may deem and treat the Owner as the absolute owner of the Series 2025 Bond for all purposes; and neither the Authority, the Registrar, the Borrower, nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of and interest on the Series 2025 Bond shall be made only to or upon the order of the Owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Series 2025 Bond to the extent of the sum or sums so paid.

Section 3.06. If the Series 2025 Bond becomes mutilated, lost, stolen or destroyed, the Registrar may authenticate and deliver a new Series 2025 Bond of the same outstanding principal amount, interest provisions and maturity and of like tenor and effect in substitution therefore, all in accordance with the provisions of applicable State law. Or, if the mutilated, lost, stolen or destroyed Series 2025 Bond has matured, the Registrar may, at its option, pay the same without the surrender thereof. However, no such substitution or payment shall be made unless the applicant shall furnish (a) evidence satisfactory to the Registrar of the destruction or loss of the original Series 2025 Bond and of the ownership thereof; (b) any written affidavit required by applicable State law; and (c) any such additional security and indemnity as may be required by the Registrar. No substitute Series 2025 Bond shall be furnished unless the applicant shall reimburse the Authority and the Registrar for their expenses in the furnishing thereof. Any such substitute Series 2025 Bond so furnished shall be clearly marked "Duplicate."

Section 3.07. The Authority hereby appoints the Depository Bank to serve as the initial Registrar for the Series 2025 Bond. The Registrar shall keep proper registry and transfer records in which shall be noted the registration and transfer of the Series 2025 Bond, in the manner and to

the extent specified in this Resolution. The Registrar for the Series 2025 Bond shall be one or more associations or corporations organized and doing business under the laws of the United States or any state thereof, authorized under such laws to exercise trust powers, having a combined capital and surplus of at least \$20,000,000 and subject to supervision or examination by federal or state authority. In case at any time the Registrar shall cease to be eligible in accordance with the provisions of this Section 3.07 and another association or corporation is eligible, the Registrar shall resign immediately in the manner and with the effect specified in the following paragraph. The Registrar may resign and be discharged by giving to the Authority, the Owner and the Borrower 90 days' advance written notice. Such resignation shall take effect on the day specified in such notice but the resigning Registrar shall not be discharged from its obligations on such date unless another Registrar has been appointed or is acting hereunder. For so long as the Bank is the Owner of the Series 2025 Bond, the Authority shall not remove the Depository Bank as the Registrar unless the Depository Bank fails to qualify to serve as the Registrar pursuant to this Section 3.07 or has breached its obligations as Registrar hereunder. The Registrar may be removed by the Authority at any time after the Bank is no longer owner of the Series 2025 Bond, either with or without cause, by an instrument or instruments in writing, appointing a successor to the Registrar so removed, filed with the Registrar and the Corporation.

ARTICLE IV

FEES

As authorized by Section 90-7-211 of the Act, the Authority may assess certain initial planning service fees and annual planning services fees. The Authority hereby determines that the initial planning service fee for the Series 2025 Bond shall be determined in accordance with current policy and is currently estimated to be 30 basis points (0.30%) times the original principal amount of the Series 2025 Bond, and the annual planning service fee for the Series 2025 Bond shall be 5 basis points (0.05%) times the then- outstanding principal amount of the Series 2025 Bond, unless and until changed by the Authority. The Authority shall also collect the State audit fee required by § 17-5-2201, MCA. No Owner of the Series 2025 Bond or any other outstanding bonds of the Authority shall have any interest in such funds or any right, by contract or otherwise to direct the application of such funds to the payment or security of such bonds.

ARTICLE V

LIMITED LIABILITY OF AUTHORITY AND STATE OF MONTANA

The Series 2025 Bond is a special, limited obligation of the Authority, payable solely from the Bond Fund, and shall be secured by the Mortgage and a pledge of the money and investments in the Bond Fund. The Series 2025 Bond shall not constitute or give rise to a pecuniary liability of the Authority or a charge against the credit or general taxing powers, if any, of the State.

PASSED AND APPROVED BY THE MONTANA FACILITY FINANCE AUTHORITY
this June 17, 2025.

By: Vu Pham
Its: Chair

Benefis Health System, Inc. (Obligated Group)
Great Falls, Montana
Stand Alone Public Offering
Loan Summary

ELIGIBLE HEALTH FACILITY

Benefis Health System, Inc. (the “Corporation”) is organized as a Montana nonprofit organization and is operated in a manner that is fully consistent with federal tax-exempt status, pursuant to Section 501(c)(3) of the Internal Revenue Code. The Corporation is the parent entity of an integrated health care delivery system with a service area of over 42,000 square miles in north central Montana (the “System”).

Benefis Hospitals, Inc. (“Benefis” or the “Hospital”) is a Montana nonprofit corporation that owns and operates a 332-bed acute care hospital; a 146-bed long-term care facility; a 71-bed assisted living facility; and a 20-bed hospice located in Great Falls, Montana; as well as a new patient services facility (Helena Specialty Center) that opened March 1, 2024 in Helena, Montana. The Corporation is the sole and controlling member of the Hospital.

Benefis Community Care, Inc. (“BCC”) is a Montana nonprofit corporation that provides home oxygen and home care services, rents and sells durable medical equipment, and sells medical supplies and pharmaceuticals. BCC also provides transportation services. The Corporation is the sole and controlling member of BCC.

Benefis Medical Group, Inc. (“BMG”) is a Montana nonprofit corporation that employs physicians and other licensed professionals, with all of the personal services of such providers made available to the public through the Hospital or BCH (as defined below). The Corporation is the sole and controlling member of BMG.

Benefis Community Hospitals, Inc. (“BCH”) is a Montana nonprofit corporation that owns and operates critical access hospitals in Choteau, Montana and Fort Benton, Montana in rural Montana communities and provides related physician services. The Corporation is the sole and controlling member of BCH.

Benefis Health System Foundation, Inc. (the “Foundation”) is a Montana nonprofit corporation that raises funds for and on behalf of the System and in furtherance of its charitable purposes.

Great Falls Athletic Club, LLC, dba The Peak Health & Wellness Center (the “Peak”) operates a health and wellness facility in Great Falls, Montana. The Peak is organized as a Montana limited liability company, of which 51% is owned by the Hospital. For tax purposes, any income or loss is passed through to the Hospital and the noncontrolling owner.

PROJECT AND COST

Sources:	
Par Amount	113,400,000
Premium	
TOTAL	113,400,000
Uses:	
North Tower Improvements	55,200,000
Healthy Aging Center	16,200,000
Equipment Replacement	11,280,000
Helena Expansion	7,260,000
MOB Improvements	6,575,000
Urgent Care and Outpatient Pharmacy Updates	5,100,000
MRMC Improvement	5,100,000
Memory Care Strategy	4,610,000
Cost of Issuance	2,075,000
TOTAL	113,400,000

The proceeds of the Series 2025 Bonds will be used to fund or reimburse costs of the following projects:

North Tower Improvements – Update the infrastructure of one of its main patient towers, greatly expanding the capacity of its main laboratory, and providing additional space required for a newly-established internal medicine residency program. This project will incorporate state-of-the-art technology in the Hospital’s lab, while expanding its ability to house medical residents.

Healthy Aging Center – Innovative new care model that addresses issues of nutrition, medication, cognitive health, and mobility with dedicated specialists focusing on prevention and adaptations. The offering of a comprehensive set of services and care navigation resources is expected to draw in a patient base currently either seeking treatment from competitors or avoiding treatment altogether, generating new revenue.

Helena Expansion – Purchase of a 15-acre property for future expansion.

Medical Office Building #11 – Increase the size of Benefis’ cardiovascular clinic space while co-locating its cardiac rehabilitation services with the main heart and vascular clinic.

Urgent Care and Outpatient Pharmacy Updates – Enhance Benefis’ main urgent care location and expand and enhance various components of Benefis’ outpatient pharmacy operations. This project is anticipated to improve patients' access to affordable drugs, while also driving improvements in the Hospital’s primary urgent care location to better serve the patient population.

Missouri River Medical Center Facility Improvements – Improve infrastructure for this critical access hospital to accommodate additional swing bed patients and ungraded imaging technology and expand or sustain the delivery of care close to home for rural residents.

Long-Term Equipment Replacement – Purchase of surgical robots and imaging equipment. The availability of up-to-date-clinical technology locally improves quality of care for patients and eliminates the burden that would otherwise come with traveling outside of the region or state for services.

Memory Care Strategy – Purchase of a 13-acre property that includes a 19,550 square foot building near the Hospital's long-term care campus. The property will serve as the primary location for Benefis' memory care strategy.

PROGRAM Stand Alone Public Offering

CLOSING DATE August 2025

INTEREST RATE TBD

MATURITY DATE Est. 2055

SECURITY Master Trust Indenture

RATING Benefis Health System carries a Fitch rating of A+ with a Stable Outlook as of May 2025

UTILIZATION

<u>Hospital</u>	FY 2022	FY 2023	FY 2024
Admissions	10,284	9,612	10,954
Patient Days	63,257	53,926	58,130
Average Daily Census	173	148	159
Average Length of Stay	6.2	5.6	5.3
Newborns	1,292	1,276	1,382
Inpatient Surgical	2,375	2,686	2,424
Outpatient Surgical	4,687	4,334	4,538
Ambulatory Surgery Center	2,141	2,047	1,788
Walk-In Clinic Visits	47,196	51,897	52,553
Emergency Room Visits	24,752	24,075	22,669
<u>Long Term Care</u>	FY 2022	FY 2023	FY 2024
Assisted Living Patient Days	21,347	22,413	21,342
Assisted Living Average Daily Census	59	61	58
Long Term Care Patient Days (Excl. AL)	42,492	44,959	44,138
Long Term Care Average Daily Census (Excl. AL)	116	123	121

PAYOR MIX

	FY 2022	FY 2023	FY 2024
Medicare	45.5%	45.1%	45.7%
Medicaid	21.1%	19.2%	17.1%
Other Governmental	10.0%	11.1%	10.8%
Blue Cross	10.0%	11.0%	13.8%
Commercial	9.9%	9.4%	9.1%
Self-Pay	3.5%	4.2%	3.5%
Total	100.0%	100.0%	100.0%

MARKET/COMPETITION

Benefis defines its primary service area as Cascade County, which includes the City of Great Falls. According to the U.S. Census Bureau, in 2024, Cascade County had approximately 84,523 residents, approximately 60,013 of whom live in Great Falls. The System defines its secondary service area as the 13 surrounding North Central Montana counties: Blaine, Chouteau, Fergus, Glacier, Hill, Judith Basin, Lewis and Clark, Liberty, Meagher, Phillips, Pondera, Teton, and Toole. According to the U.S. Census Bureau, in 2024, the Secondary Service Area had a population of approximately 157,200.

With the expansion into Helena, the Southwestern Service Area has become a particular area of focus. The population of Lewis and Clark County is approximately 75,129 people and has been growing by approximately 1.47% annually over the last several years.

Benefis has community-based outreach services in 53 of Montana's 56 counties, providing case management and home care services to patients throughout the vast region. Benefis also provides physician outreach services in many communities including Helena, Cut Bank, Shelby, Box Elder, Choteau, Havre, Chester, Fort Benton, Lewistown, and White Sulphur Springs.

Within the 14 counties comprising the System's Service Area, there are 15 non-federal hospitals, ten of which are critical access hospitals, and none of which are comparable in size or scope of services to the Hospital. Aside from the, a for-profit 37-bed specialty hospital located in Great Falls, the hospital closest geographically to the Hospital is the 20- bed Pondera Medical Center in Conrad, approximately 61 miles away. The second-largest hospital within the Service Area is the 123-bed St. Peter's Hospital in Helena, Montana, 92 miles south of Great Falls. The System maintains contractual services agreements with most of the critical access hospitals in the region for the purpose of promoting access to care and providing needed administrative support and assistance.

GOVERNANCE

The System Corporation is governed by a self-perpetuating board of directors (the "System Board") presently consisting of 11 voting members, including the Chief Executive Officer of the System Corporation as an *ex officio* voting member. Directors are elected by the System Board for three-year terms. There is no limit as to the number of successive terms that may be served by any director. The Bylaws of the System Corporation require the System Board to hold at least six and not more than nine regular meetings each year, and the System Board ordinarily meets monthly other than in the months of April, August and December.

EXECUTIVE MANAGEMENT TEAM

John Goodnow, Chief Executive Officer of the System Corporation, has been a hospital administrator for 49 years, at a wide range of facilities. Mr. Goodnow earned a Bachelor's degree in Biological Science and Administrative Health Sciences from the University of California – Davis in 1974, and a Master of Health Services Administration from the University of Michigan in 1976. He became a Fellow of the American College of Health Executives in 1987. He became CEO of Benefis Health System in 2002. Mr. Goodnow's experience ranges from community hospitals to teaching hospitals and, although primarily in the nonprofit arena, also includes some for-profit experience.

Bruce Houlihan, Chief Financial Officer, has nearly 35 years of health care experience, including experience in the physician clinic setting, large urban hospitals, community hospitals, and continuing care retirement communities. Prior to joining Benefis, he was the System Finance Administrator/Controller at MultiCare in Tacoma, Washington. He holds a Master of Business

Administration from California State University – Stanislaus and is a Certified Management Accountant.

Greg Tierney, M.D., Executive Vice President of System Clinical Operations, has nearly 34 years of health care experience in a clinical role and the last 20 years have also included various leadership roles. Dr. Tierney joined Benefis in 1994 as a clinician and remains a practicing orthopedic surgeon along with his administrative role at Benefis. Prior to his current appointment, Dr. Tierney served in various other leadership capacities at the System, including acting as Chief of the Hospital's Medical Staff. He completed medical school at the University of Washington and holds a Master of Business Administration degree from the University of Tennessee.

Bridget Brennan, M.D., Chief Medical Officer of the System Corporation, has over 25 years of health care experience in a clinical role and has been serving as a Chief Medical Officer for the System Corporation since the start of 2024. Prior to her current appointment, Dr. Brennan served as the Chief Medical Officer for BMG for over 5 years. Dr. Brennan has a Bachelor of Science and Master of Medical Science from Emory University, a Doctor of Medicine from the Medical College of Georgia at Augusta University, and completed her residency program at Baystate Medical Center.

Rayn Ginnaty, System Executive Vice President of Hospital Operations, has been in health care leadership for nearly 25 years. She has a Bachelor of Science degree in nursing from Montana State University and a Master of Business Administration from Benedictine University. Mrs. Ginnaty provides administrative oversight for the Hospital and nursing operations, including ensuring quality outcomes, patient safety, strong financial performance, and professional nursing practice.

Casey Buckingham, System Senior Vice President and Chief Human Resources Officer, has a Bachelor of Science degree specializing in human resources management along with tourism and hospitality management from Black Hills State University. She also holds a Master of Business Administration degree from the University of Mary. Prior to joining Benefis in 2007, Ms. Buckingham worked in the hospitality industry. She oversees both human resources and organizational development/education for the System, along with grants management and volunteer coordination.

Kaci Husted, System Senior Vice President, joined Benefis in 2014, and currently oversees business development, facilities, marketing, corporate communications, and legislative affairs for the System. She holds undergraduate degrees specializing in marketing, finance, English, and computer science from the University of Nebraska – Lincoln, along with a Master of Business Administration degree from Baylor University.

Amy Linder, Senior Vice President of Provider Practices for the System Corporation, joined Benefis in 2009, and currently oversees the Medical Group's outpatient and inpatient practices, which includes over 200 providers. She holds a Master of Business Administration from Capella University.

HISTORICAL FINANCIALS FOR BENEFIS HEALTH SYSTEM, INC. AND AFFILIATES

Audited Financials as of 12/31	2022	2023	2024
<u>Assets</u>			
Cash & Cash Equivalents	32,314,881	43,985,917	28,796,918
Patient Receivables	72,612,698	91,486,850	117,453,489
Other Receivables	10,539,781	10,732,991	23,926,889
Inventory	13,310,537	10,673,612	9,799,514
Current Assets Whose Use is Limited	8,073,968	8,339,189	8,576,631
Other Current Assets	6,475,744	7,654,188	10,820,813
Total Current Assets	\$143,327,609	\$172,872,747	\$199,374,254
Fixed Assets (net of depreciation)	308,738,064	373,648,370	422,982,478
Board Designated Funds	447,260,277	489,337,497	456,931,277
Held by Trust	68,898,383	20,671,276	-
Other Assets	92,668,097	89,076,486	86,820,493
Total Assets	\$1,060,892,430	\$1,145,606,376	\$1,166,108,502
<u>Liabilities</u>			
Accounts Payable & Accrued Expenses	42,483,273	57,055,465	57,655,169
Current Portion of Long-Term Debt	10,197,478	10,160,091	10,649,980
Other Current Liabilities	\$26,299,799	\$27,298,459	\$30,918,420
Total Current Liabilities	\$78,980,550	\$94,514,015	\$99,223,569
Long-Term Debt (less current portion)	251,970,945	241,674,856	230,160,089
Other Long-Term Liabilities	50,721,495	44,989,215	43,612,574
Unrestricted Fund Balance	642,862,371	723,535,932	749,139,174
Restricted Fund Balance	36,357,069	40,892,358	43,973,096
Total Liabilities & Fund Balance	\$1,060,892,430	\$1,145,606,376	\$1,166,108,502
<u>Revenue and Expense</u>			
Gross Patient Service Revenue	1,334,484,279	1,409,925,316	1,601,103,645
Deductions from Patient Service Revenue	806,427,662	851,758,244	978,433,106
Net Patient Service Revenue	528,056,617	558,167,072	622,670,539
Other Operating Revenue	37,356,279	47,253,780	40,094,436
Total Operating Revenue	565,412,896	605,420,852	662,764,975
Interest	9,481,514	8,991,907	8,587,489
Depreciation & Amortization	25,852,990	26,723,764	32,202,713
Other Operating Expenses	516,986,941	559,279,886	646,341,616
Operating Income	13,091,451	10,425,295	(24,366,843)
Other Non-Operating Revenue	2,363,162	12,582,464	14,671,854
Change in Unrealized Gains and Losses	(54,887,122)	42,289,376	29,951,338
Excess of Revenue Over Expenses	(39,432,509)	65,297,135	20,256,349

RATIOS

Key Ratios	2022	2023	2024	Moody's Aa 2023
				Median Ratios
Cushion Ratio	25.58	27.79	25.91	44.70
Days Cash on Hand	332.49	342.55	271.4	273.90
Days Accounts Receivable	50.19	59.83	70.3	47.80
Operating Margin	2.32%	1.71%	-3.68%	2.1%
Excess Margin	2.72%	3.72%	-1.43%	5.5%
Debt to Capitalization	28.2%	25.0%	23.5%	22.5%
Debt Service Coverage	2.27	2.64	1.16	6.70
Average Age of Plant (years)	14.99	15.47	13.70	11.1

INTERIM FINANCIALS

Interim financials as of April 30, 2025 (4 months) show an operating income of \$789,900 compared to the same period operating loss of \$5.35 million for 2024 or a loss of \$2.0 million for 2023. Period to period net patient service revenue has grown by \$28.24 million from 2023 to 2024 and \$26.44 million from 2024 to 2025 while expenses also increased by \$34.02 million from 2023 to 2024 and \$20.29 million from 2024 to 2025. The largest increase in expenses were salary and wages which increased \$6.79 million from 2023 to 2024 and \$16.79 million from 2024 to 2025. Overall days cash on hand has decreased slightly from 260.8 in January to 246.2 in April but are still well above Fitch A+ ratio of 203.0 days cash on hand.

FINANCIAL OBSERVATIONS

Assets & Liabilities

- Cash and cash equivalents increased from \$32.31 million in FY 2022 to \$43.98 million in FY 2023 then decreased to \$28.79 million in FY 2024. There was no one thing that caused this change for the Hospital as it regularly collects accounts receivables, spends funds on operations and capital projects, and manages other current assets and liabilities.
- Gross patient service revenue steadily increased from \$1.33 billion in FY 2022 to \$1.60 billion in FY 2024. The primary driver of this increase was patient volumes. Benefis' System Adjusted Admissions increased by 14% over the two-year period. Part of this volume change included opening the Helena Specialty Center and the addition of Missouri River Medical Center to the Benefis family.
- Patient receivables steadily increased from \$72.61 million in FY 2022 to \$117.45 million in FY 2024. The primary factors of this increase were patient volumes and the pace of collecting amounts due. Benefis has seen growth in the demand for services and this contributed to a higher average level of accounts receivable. In addition, the Hospital experienced a slowdown in the speed of reimbursement from payers in the year leading up to, and the year following its implementation of the electronic health record system Epic. The February 2024 Change Healthcare cyberattack contributed to this slowdown as well as the outage stopped the Benefis billing process for over five weeks.
- Other receivables increased from \$10.73 million in FY 2023 to \$23.92 million in FY 2024. The change is primarily due to an increase in Bed Tax Receivable which was \$9.7 million at end of calendar 2023 and was \$22.3 million at end of calendar 2024.

- Fixed assets (net of depreciation) increased from \$308.73 million in FY 2022 to \$422.98 million in FY 2024. There were four projects that compose most of the change: opening of the Helena Specialty Center, the implementation of the Epic electronic health record system, opening of a new GI Lab, and updating and reconfiguring the Sletten Cancer Center to expand its capacity.
- Board designated funds were \$489.33 million in FY 2023 and then decreased to \$456.93 million in FY 2024. This change is primarily due to planned capital spending and an increase in accounts receivable related to the conversion to Epic.

Revenue & Expenses

- Other operating revenue has fluctuated from \$37.35 million in FY 2022 to \$47.25 million in FY 2023 to \$40.09 million in FY 2024. The primary drivers for this change were the Hospital's increased participation in the federal 340b drug program and the sunset of pandemic related Provider Relief Funds. Benefis recognized Provider Relief Funds of \$10.5 million in 2023 and only \$58,000 in 2024.
- Operating expenses increased from \$594.99 million in FY 2023 to \$687.13 million in FY 2024. The Hospital expects expenses to continue rising, but at a slower rate than what it saw in the 2023 v. 2024 comparison. Incremental to 2023, 2024 costs included the Epic implementation, the opening of the Helena Specialty Center, use of more traveling staff to meet patient demand, a full year with Missouri River Medical Center, and the employment of a general surgical practice.

PRO FORMA

To be provided at the board meeting

FINANCE TEAM MEMBERS

Finance Team Member	Firm	Primary
Borrower Counsel	Manatt, Phelps, & Phillips	Keith Anderson
Bond Counsel	Orrick Herrington & Sutcliffe	Robyn Helmlinger
Underwriter	Barclays	Peter Reilly
Underwriter's Counsel	Norton Rose Fulbright	Bryon Farnsworth
Financial Advisor	Kaufman, Hall & Associates	Robert Turner
Trustee	Computershare	Marybeth Jones
Auditor	Moss Adams	Mary Wright

OUTSTANDING/PAST MFFA LOANS

Series	Original Issue	Outstanding 12/31/2024	Maturity	Project
Facilities Revenue Bond Series 2021	\$ 100,000,000	\$ 100,000,000	8/1/2051	Pay for the costs of a new osteopathic medical school facility leased to Touro College & University System, costs of constructing Helena Ambulatory Center and costs of replacement of certain imaging and capital equipment.
Facilities Revenue Bond Series 2017	\$ 28,300,000	\$ 14,390,000	6/1/2030	Pay for the costs of constructing a medical office and surgical services building located at 1401 25th Street South, Great Falls, on Benefis's East Campus; and refund the Series 2011B Bonds (which financed the construction of the Senior Campus, a medical office building and purchase of certain medical equipment).
Facilities Revenue Bond, Series 2016	\$ 141,250,000	\$ 102,875,000	2/15/2041	Pay for the costs of the renovation and expansion of the emergency department and relocation and reconfiguration of information technology resources, endoscopy facilities and certain ambulatory facilities; refund the Series 2007 Bonds (which financed a new patient tower and construction and equipping of the Sletten Cancer Institute and defeased a portion of the Series 2002 Bonds); and refund the Series 2011A Bonds (which financed a medical office building and new assisted living and skilled nursing center).
Totals	\$ 269,550,000	\$ 217,265,000		

STRENGTHS

- Dominant market share
- Strong and stable management team

- Excellent cash position and a solid history of positive income growth

CONCERNS

- Competition entering market as larger facilities expand their secondary service areas via affiliations, mergers and acquisitions

RECOMMENDATION

Approval is recommended based, in part, on:

- Expanded and improved patient service lines
- A+ rating from Fitch
- Dominant local market share

RESOLUTION NO. 25-05

RESOLUTION RELATING TO REVENUE BONDS (BENEFIS HEALTH SYSTEM OBLIGATED GROUP), SERIES 2025; MAKING FINDINGS WITH RESPECT TO THE SERIES 2025 BONDS, AND THE PROJECTS; AUTHORIZING AND APPROVING THE SALE AND ISSUANCE OF THE SERIES 2025 BONDS IN ONE OR MORE SERIES AND THEIR PAYMENT FROM AMOUNTS TO BE RECEIVED UNDER LOAN AGREEMENTS AND FROM CERTAIN FUNDS HELD UNDER BOND INDENTURES; AUTHORIZING THE ASSIGNMENT TO THE BOND TRUSTEE UNDER THE BOND INDENTURES OF THE LOAN PAYMENTS, SUCH FUNDS AND CERTAIN OTHER INTERESTS; AND AUTHORIZING THE SIGNING AND DELIVERY OF DOCUMENTS (the “Resolution”)

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

Section 1. Recitals.

1.01. The Authority is authorized by Montana Code Annotated, Title 90, Chapter 7, Parts 1, 2 and 3, as amended (the “Act”), to issue and sell its revenue bonds and to lend the proceeds of the bonds to one or more institutions to finance, refinance or provide reimbursement for allowable costs of the acquisition, construction, reconstruction, repair, alteration, enlargement, improvement and equipping of eligible facilities, all as defined in the Act (“Facilities”), or to refund indebtedness incurred for such purpose. Bonds so issued are payable solely from the revenues and assets derived from the participating institutions and shall not constitute a debt, liability or obligation of the state of Montana (the “State”) or a pledge of the full faith and credit of the State. The Authority is required to secure the bonds by pledging the revenues received from the participating institutions, and the bonds may be secured by mortgages, assignments and other security devices deemed advantageous by the Authority. The Authority may also secure the bonds under a trust agreement between the Authority and a corporate trustee. Pursuant to the Act, the Authority may issue up to \$1.5 billion in revenue bonds and notes per biennium, exclusive of revenue bonds or notes issued to refund outstanding revenue bonds or notes, for financing of eligible facilities. As of the date hereof, the Authority has issued \$0.00 subject to the Act for the biennium ending June 30, 2025.

1.02. Benefis Health System, Inc., a Montana nonprofit corporation (the “Borrower”), an “institution” and a “participating institution” within the meaning of the Act, together with its affiliate Benefis Hospitals, Inc., an “institution” within the meaning of the Act (Benefis Health System, Inc. and Benefis Hospitals, Inc, together referred to as the “Benefis Corporations”), have requested that the Authority issue revenue bonds under the Act in an aggregate principal amount of up to \$113,400,000 as part of a plan of finance in one or more series (the “Series 2025 Bonds”) and loan the proceeds of the Series 2025 Bonds to the Borrower, for one or more of the

following purposes: (i) to finance or to reimburse the Borrower for costs incurred in the acquisition, construction, reconstruction, repair, alteration, enlargement, improvement and equipping of certain capital improvements to the hospital, other health care and related facilities and medical school facilities owned, or to be owned, by one or more of the Benefis Corporations or a controlled subsidiary of the Borrower (the “Projects”), (ii) if required, to market the Series 2025 Bonds, to make a deposit to any debt service reserve funds established for the Series 2025 Bonds, and (iii) to pay certain costs and expenses incidental to the issuance of the Series 2025 Bonds.

1.03. The Authority has received an application from the Borrower to finance the Projects and the Authority determines that the application is complete and, subject to the results of the public hearing and Governor’s approval described in Sections 6 and 7 below, the Projects are eligible for financing under the Act.

1.04. The following documents relating to the Series 2025 Bonds will be provided to the Authority:

(a) a form of one or more Bond Purchase Agreements for the Series 2025 Bonds (each, a “Bond Purchase Agreement” and collectively, the “Bond Purchase Agreements”) to be entered into by Barclays Capital Inc. or any other underwriter as set forth in a Bond Purchase Agreement as finally executed, as underwriters (the “Underwriter”), the Authority and the Borrower;

(b) a form of one or more Loan Agreements for the Series 2025 Bonds (each a “Loan Agreement,” and, collectively, the “Loan Agreements”) to be entered into by the Authority and the Borrower; and

(c) a form of one or more Bond Indentures for the Series 2025 Bonds (each a “Bond Indenture,” and collectively, the “Bond Indentures”) to be entered into by the Authority and Computershare Trust Company, N.A., as bond trustee (in such capacity, the “Bond Trustee”).

Section 2. Findings. The Authority finds, determines and declares as follows:

(a) the Borrower is an “institution” and a “participating institution,” Benefis Hospitals, Inc. and any other owner or operator of the Projects (the “Other Project Owner/Operator”), each is or will be an “institution,” and each of the Projects comprise an “eligible facility,” each within the meaning of the Act;

(b) the loan of the proceeds of the Series 2025 Bonds to the Borrower under the Loan Agreements will not exceed the total allowable costs of the Projects, less other available funds, as determined by the Borrower;

(c) the payments to be made by the Borrower under each Loan Agreement are to be sufficient to pay the principal of, premium, if any, and interest on the applicable Series 2025 Bonds when due and upon any prior redemption, to maintain reserves, if any, for the payment of principal and interest, to meet all other obligations in connection with

such Loan Agreement, and to provide for costs of servicing and securing the applicable Series 2025 Bonds and loan;

(d) each of the Projects is, and will be, operated by one or more of the Benefis Corporations and/or any Other Project Owner/Operator, for the purpose of fulfilling their obligation to provide health care facilities or medical teaching facilities;

(e) based solely upon information and representations provided by the Borrower, the Benefis Corporations and each Other Project Owner/Operator have sufficient experience and expertise to operate each of the Projects and their other health care facilities;

(f) based solely upon information provided and representations made by the Borrower, the Projects are financially feasible and the Borrower will generate sufficient revenues to pay the principal of, premium, if any, and interest on the Series 2025 Bonds when due;

(g) each Bond Indenture provides for the pledge to the payment of the applicable Series 2025 Bonds of amounts payable by the Borrower under the applicable Loan Agreement, amounts in certain funds held by the Bond Trustee under the applicable Bond Indenture, and any amounts derived under the applicable obligation issued by the Borrower under the Master Indenture (as defined in the Bond Indentures);

(h) based solely on information provided and representations made by the Borrower, to the extent legally required, the Projects have been reviewed and approved by the appropriate regional and state health planning boards and have received any approval required by Montana Code Annotated, Title 50, Chapter 5, Part 3, as amended; and

(i) based solely on information provided and representations made by the Borrower, including the reports or surveys on file with the Borrower by the Department of Public Health and Human Services and the Occupational Safety and Health Agency, the financing and refinancing of the Projects does not significantly affect the quality of the human environment, within the meaning of Montana Code Annotated, Section 75-1-201(1)(b)(iii).

The foregoing findings and determinations are made pursuant to the Act and are not made for the benefit of, and may not be relied upon by, the Underwriter or other owners from time to time of the Series 2025 Bonds.

Section 3. Approval and Authorizations.

3.01. The financing of the Project is approved, and the Authority is authorized and shall proceed to issue the Series 2025 Bonds in one or more series for such purpose in the aggregate principal amount up to, but not to exceed, \$113,400,000. The Series 2025 Bonds shall be entitled "Montana Facility Finance Authority Revenue Bonds (Benefis Health System Obligated Group), Series 2025," with such other name or names of the Series 2025 Bonds or series thereof as designated in each Bond Indenture pursuant to which the Series 2025 Bonds will be issued.

3.02. The Authority authorizes and directs any one or more of the Executive Director, the Associate Director, the Chair or any other member of the Authority to negotiate the sale of the Series 2025 Bonds to the Underwriter to accomplish the financing of the Projects. The Series 2025 Bonds shall be sold under the terms and conditions of one or more Bond Purchase Agreements approved pursuant to Section 3.03 hereof; provided that any sale date of the Series 2025 Bonds shall be no later than the 120th calendar day following the date of adoption of this Resolution. The Series 2025 Bonds shall be in the aggregate principal amount, mature on such dates, bear interest in such interest rate modes and at such variable or fixed rates of interest, be issued, with respect to a particular series of the Series 2025 Bonds, as tax-exempt or taxable bonds, be subject to redemption, tender and/or purchase in lieu of redemption, and be sold at such purchase price as set forth in the Bond Purchase Agreement or Bond Purchase Agreements and each Bond Indenture, as finally executed; provided that:

- (a) The total aggregate principal amount of the Series 2025 Bonds shall not exceed \$113,400,000 (exclusive of any portion representing original issue discount);
- (b) The initial interest rate for any series of the Series 2025 Bonds shall not exceed the rate of 6.5% and a Maximum Interest rate of 12.0% per annum; and
- (c) The final maturity of the Series 2025 Bonds shall not exceed 40 years from the date of their issuance.

3.03. Any one of the Executive Director, the Associate Director, the Chair, or any other member of the Authority is authorized to approve in the name and on behalf of the Authority the final forms of each Bond Purchase Agreement, each Loan Agreement and each Bond Indenture. Any one of the Executive Director, the Associate Director, the Chair or any other member of the Authority is authorized to sign and deliver each Bond Purchase Agreement, each Loan Agreement, each Bond Indenture, and such other agreements, certificates and documents to be signed and delivered by the Authority in connection with the issuance of the Series 2025 Bonds, including but not limited to one or more agreements concerning federal tax matters setting forth the reasonable expectations of the Authority and the Borrower regarding the amount and use of the proceeds of the applicable Series 2025 Bonds and other facts and circumstances relevant to the treatment of the interest on the applicable Series 2025 Bonds under federal tax laws. Any one of the Executive Director, the Associate Director, the Chair, or any other member of the Authority is also authorized to approve in the name and on behalf of the Authority, and is authorized to sign and deliver, any subsequent amendments, waivers or consents entered into or given in accordance with such documents. The approval of the final forms of each Bond Purchase Agreement, each Loan Agreement, each Bond Indenture, and those other documents shall be conclusively evidenced by the signing and delivery of those documents by the Executive Director, the Associate Director or the Chair or any other member of the Authority.

3.04. The Chair or any one or more other members of the Authority and the Executive Director are authorized to prepare and sign the Series 2025 Bonds as prescribed in the applicable Bond Indenture and deliver them to the Bond Trustee, together with a certified copy of this resolution and the other documents required by the applicable Bond Indenture and the applicable

Bond Purchase Agreement for authentication of the Series 2025 Bonds by the Bond Trustee and delivery by the Bond Trustee of the Series 2025 Bonds to the Underwriter.

3.05. The Executive Director, the Associate Director, the Chair, or any other member of the Authority, is authorized and directed to prepare and furnish to the Underwriter and to bond counsel, when the Series 2025 Bonds are issued, certified copies of all proceedings and records of the Authority relating to the Series 2025 Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the Series 2025 Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them, or as may be necessary or desirable to accomplish the issuance and sale of the Series 2025 Bonds, and all such certified copies, certificates, affidavits and documents, shall constitute representations of the Authority as to the truth of all statements of fact contained therein.

3.06 The Authority staff is hereby authorized and directed to cooperate with the Borrower, the Underwriter and each of their counsel in the preparation of a preliminary official statement for any series of the Series 2025 Bonds (the "Preliminary Official Statement") and a final official statement for any series of the Series 2025 Bonds (the "Official Statement") to be distributed to prospective purchasers of the Series 2025 Bonds, and the Authority authorizes and approves the use and distribution by the Underwriter of such Preliminary Official Statement and Official Statement in connection with the offering and sale of the Series 2025 Bonds; provided, however, that the Authority takes no responsibility for, and makes no representations or warranties as to, the accuracy, completeness or sufficiency of the information in the Preliminary Official Statement or the Official Statement, except as to matters relating to the Authority. The Executive Director and the Associate Director are each authorized on behalf of the Authority to deem the Preliminary Official Statement final as of its date, in accordance with Rule 15c-12(b)(1) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Section 4. Limited Liability of Authority and State. The Series 2025 Bonds and the Authority's obligations under each Loan Agreement, each Bond Indenture and each Bond Purchase Agreement shall be special, limited obligations of the Authority payable solely from and secured by the payments required to be made by the Borrower (except to the extent payable from the proceeds of the Series 2025 Bonds) and will not constitute or give rise to a pecuniary liability of the Authority or a charge against the general credit or taxing powers of the State.

Section 5. Commitment Conditional. The Authority retains the right in its sole and absolute discretion to withdraw from participation and accordingly not issue the Series 2025 Bonds should the Authority at any time prior to the signing and delivery of each Bond Purchase Agreement by the Authority determine that it is in the best interests of the Authority not to issue the Series 2025 Bonds or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents required for the financing.

Section 6. Public Hearing. As required by Section 147(f) of the Internal Revenue Code of 1986, as amended, (the "Code"), the Authority will conduct a public hearing concerning the Projects and the issuance of such Series 2025 Bonds which are to be federally tax-exempt. The Executive Director has set the time and location of such public hearing for Helena, Montana

on June 18, 2025 at 10:00 a.m. and published notice thereof has been provided for on the Authority's website. The Executive Director is authorized and directed to conduct that hearing at the time and place specified in the published notice and to provide minutes of that public hearing to the Borrower and to bond counsel.

Section 7. Approval of Governor. The Executive Director is authorized and directed to forward to the Governor of the State a certified copy of this resolution and the minutes of the public hearing described in Section 6 and to request on behalf of the Authority that the Governor approve the issuance of such Series 2025 Bonds which are to be federally tax-exempt for the purposes contemplated by this resolution as required by Section 147(f) of the Code.

Section 8. Authority Fees. As authorized by Section 90-7-211 of the Act, the Authority may assess certain initial planning service fees and annual planning service fees. The Authority determines that the initial planning service fee for the Series 2025 Bonds shall be determined in accordance with current policy and is the greater of 6.5 basis points (0.065%) times the original aggregate principal amount of the Series 2025 Bonds or \$75,000, and the annual planning service fee for the Series 2025 Bonds shall be 5 basis points (0.05%) times the then outstanding principal amount of the Series 2025 Bonds, unless and until changed by the Authority. No holder of the Series 2025 Bonds or any other bonds of the Authority outstanding from time to time shall have any interest in such funds or any right, by contract or otherwise, to direct the application of such funds to the payment or security of such bonds.

PASSED AND APPROVED BY THE MONTANA FACILITY FINANCE AUTHORITY this 17th day of June, 2025.

Vu Pham, Chair

Montana Facility Finance Authority
Budget v. Actual Expenses

05/31/25

91.67 % Expended

Legislative Budget	Year to Date			
	Category	Budget	Actual	\$ Variance % Variance
\$ 799,694	A) INCOME	\$ 553,907	787,454	233,547 42%
120,000	Application Fees	110,000	76,605	(33,395) -30%
554,694	Annual Fees	329,324	346,960	17,636 5%
125,000	Investment Income	114,583	363,648	249,064 217%
	Misc (Quad State conf/cost recovery)		242	
\$ 383,957	B) PERSONAL SERVICES EXPENSE	\$ 351,961	436,129	84,169 24%
376,957	Salaries & benefits	345,544	430,329	84,785
7,000	Board Per Diem	6,417	5,800	(617)
\$ 338,615	C) OPERATING EXPENSES**	\$ 219,038	\$ 220,765	\$ (1,727) -1%
80,147	Contracted & Other Services	73,468	62,840	(10,628) -14%
	Misc. Other Services		-10,756	
	Legal Services		17,910	
	Legislative Audit		50,915	
	ITSD		4,772	
31,218	Supplies/Materials/Equipment	28,617	8,092	(20,524) -72%
8,200	Communications	7,517	6,596	(921) -12%
30,882	Travel	28,309	28,754	445 2%
0	Equipment Lease	0	1,935	1,935 0%
	Building Lease Amortization	31,025	24,282	(6,743) -22%
4,181	Repairs & Maintenance	3,833	0	3,833 0%
84,323	Miscellaneous	77,296	88,265	10,969 14%
	Commerce Department Services		61,408	
	Administration (statewide) Indirect Costs		2,758	
	Education		9,573	
	Other Miscellaneous		14,525	
\$ 77,122	REVENUES IN EXCESS OF EXPENSES (A-B-C)	-17,092	130,560	147,652 -864%
150,000	Grants-Obligated/Paid	75,000	39,802	
\$ (72,878)	Current Year Increase in Net Assets		90,757	
	INCREASE (DECREASE) IN NET ASSETS		90,757	

* Income presented on CASH basis. GAAP accrual accounting would reflect approximately \$8,761 less income annually, or < 1.6%

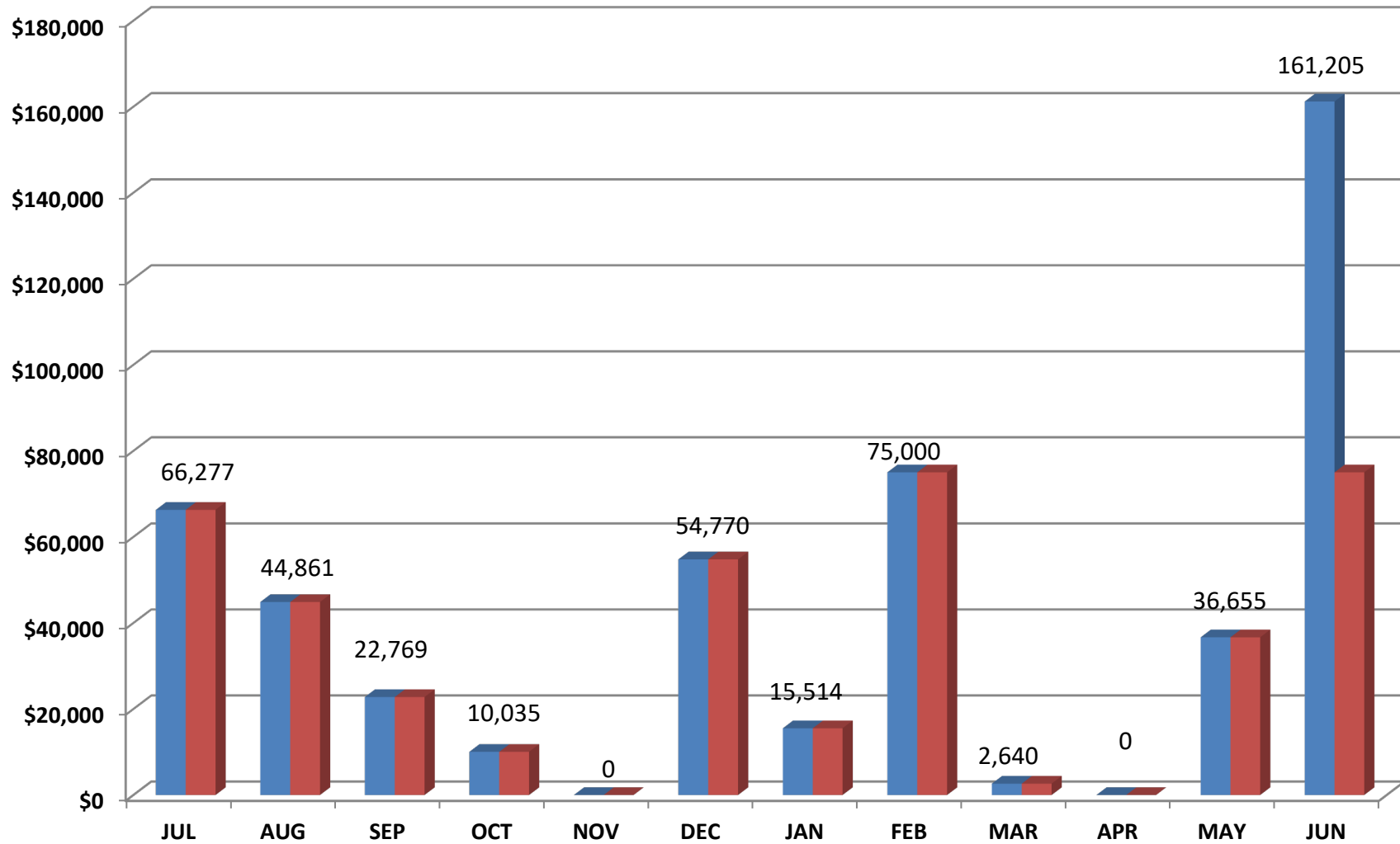
FY 2025 Annual Service Fees

As of May 31, 2025

Annual Projected: \$489,725

YTD Projected: \$328,521

YTD Collected: \$328,521



MFFA Reserve Balances

AS OF 6/1/2025

A/E 06015	Operating Account Summary		
		Current Balance	Policy Guideline
	Total Fund Balance Available Net Capital Reserve "B" Balance	2,459,522	
	Less: Working Capital Reserve Requirement	1,630,466	1,630,466 (a)
	Available for Restricted Capital Reserve "A"	829,056	10,396,340 (b)
	Fund Balance: Sub-Total	2,459,522	12,026,806
A/E 06015	Trust Fund Loan Pool		
	RC 710300, Accounts 521190	52,196	
	Plus: Prior Year End Capital Reserve "B" Fund Balance Sub Total	1,115,325	
	Capital Reserve "B" Fund Balance	1,167,521	1,158,638 (d)
A/E 06012	Direct Loan Program		
	Current Program Fund Balance	6,208,025	
	Less: Outstanding Loan Balance	4,935,873	
	Funds Available to Loan from Direct Loan Program	1,272,153	
	Fund Balance: Sub-Total	6,208,025	6,000,000 (c)
	Total Projected Fund Balance	9,835,068	19,185,444

Notes:

Policy Guidelines - Minimum Funding Requirements

(a) Twice the current Fiscal Year annual budget.	815,233
(b) 10% of the outstanding BOI enhanced bond balance as of 7/1/24	103,963,401
(c) \$6,000,000 as of 7/1/24 plus YTD loan payments, account investment earnings.	6,000,000
(d) 10% of the Trust Fund Loan Pool Balance as of 7/1/24	11,586,381

MONTANA FACILITY FINANCE AUTHORITY

Staff Approved Loans

4/1/2025-5/31/2025

Submitted Applications

<u>Borrower</u>	<u>Location</u>	<u>Date Submitted</u>	<u>Term</u>	<u>Interest</u>	<u>Amount</u>	<u>Project</u>
Fallon Medical Complex	Baker	05/22/25	5	4.24%	\$ 199,590	Equipment Purchase
Total Pending Direct Loans:					<u><u>\$ 199,590</u></u>	

Approved Applications

<u>Borrower</u>	<u>Location</u>	<u>Date Approved</u>	<u>Term</u>	<u>Interest</u>	<u>Amount</u>	<u>Project</u>
Ruby Valley Medical Center (Est. July 2025)	Sheridan	02/07/24	10	4.72%	\$ 500,000	Clinic Construction
Total Approved Direct Loans:					<u><u>\$ 500,000</u></u>	

Funds Available Under

Direct Loan Program:

Loan Fund: (6/01/2025)	6,208,025
Total Outstanding Loans: (6/01/2025)	4,935,873
Approved Applications from above:	(500,000)
Total Available to Loan at 6/01/2025	<u><u>\$ 772,153</u></u>

Funded Applications from 7/1/24:

<u>Borrower</u>	<u>Location</u>	<u>Date Funded</u>	<u>Term</u>	<u>Interest</u>	<u>Amount</u>	<u>Project</u>
Bitterroot Health	Hamilton	11/15/24	5	3.58%	\$ 334,896	Equipment Purchase
Fallon Medical Complex	Baker	12/02/24	5	4.01%	\$ 275,800	Equipment Purchase
Western Montana Mental Health Center	Missoula	12/19/24	10	4.38%	\$ 500,000	Debt Refinance
Total Loans Funded since 7/1/24					<u><u>\$ 1,110,696</u></u>	

MONTANA FACILITY FINANCE AUTHORITY

Staff Approved Grants

4/1/2025-5/31/2025

Commitments Pending

<u>Facility</u>	<u>Location</u>	<u>Date Submitted</u>	<u>Date Approved</u>		<u>Amount</u>	<u>Project</u>	<u>Program</u>
Liberty Medical Center	Chester	10/18/24	11/07/24	\$	25,000	Facility Master Planning	MCAP
Logan Health Shelby	Shelby	10/18/24	11/07/24	\$	25,000	Facility Master Planning	MCAP
Northern Rockies Medical Center	Cut Bank	10/18/24	11/07/24	\$	25,000	Facility Master Planning	MCAP
Pondera Medical Center	Conrad	10/18/24	11/07/24	\$	25,000	Facility Master Planning	MCAP
Big Sandy Medical Center	Big Sandy	04/24/25		\$	10,198	Facility Master Planning	MCAP
Total Pending Grants:				\$	110,198		

Grants Paid since 7/1/2024

<u>Grantee</u>	<u>Location</u>	<u>Date</u>	<u>Approved</u>	<u>Paid</u>		<u>Amount</u>	<u>Project</u>	<u>Program</u>
Alternatives, Inc.	Billings	05/31/23	5/31/2023	<u>10/2/2024</u>	\$	25,000	Remodel Project	MCAP
Big Sandy Medical Center	Big Sandy	04/19/24	04/19/24	<u>3/20/2025</u>	\$	14,802	Storm Water Drainage Issues	MCAP
Total Grants:					\$	39,802		

2025

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	23	24	25	26
27	Board Mtg	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	Board Mtg	18	19	20	21
22	23	24	25	26	27	28
29	30					

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	Board Mtg	21	22	23
24/31	25	26	27	28	29	30

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	Board Mtg	23	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
23/30	24	25	26	27	28	29

DECEMBER

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

2026

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	24	25	26	27	28
29	30	31				

HOLIDAYS AND OBSERVANCES

1-Jan **New Year's Day**
19-Jan **MLK Day**
16-Feb **Presidents' Day**
27-May **Memorial Day**

4-Jul **Independence Day**
1-Sep **Labor Day**
13-Oct **Columbus Day**
11-Nov **Veterans Day Ob.**

27-Nov **Thanksgiving Day**
25-Dec **Christmas Day**

CONFERENCES

June 17-19 **MHN, Billings, MT**
June 23-25 **IEDC, Great Falls**
Sept 25-26 **MNA, Billings**

Oct 5-8 **NAHEFFA, Minneapolis, MN**
Oct 7-10 **MHA, Billings**
Oct 7-10 **MEDA, Polson**