

MAGIC Fund Screening Committee

October 22, 2021

City Council Chambers - Second Floor - City Hall

515 2nd Ave SW

7:30 AM

Agenda

1. ROLL CALL
2. SEPTEMBER 18, 2020
APPROVE MINUTES

Documents:

[MAGIC FUND SCREENING COMMITTEE NOTES - SEPTEMBER 18 2020.PDF](#)

3. MADC - Stevens Welding \$128,571.49 Grant For PACE Loan Interest Buydown
MAGIC Fund Committee and City Council

L. John MacMartin, President

October 7, 2021

MAGIC Fund Request - Stevens Welding and Machine Request

Stevens Welding and Machine in Glenburn, ND has been approved by First Western Bank and Trust and Bank of North Dakota for a PACE loan. Through the MAGIC Fund, the business is looking to secure the community's portion of the interest buydown; this portion is \$128,571.49. BND will provide their portion of this 70/30 split in the amount of \$300,000, as an interest buydown.

Background

Stevens Welding was founded by Roy Stevens after World War II. The business was operated by his sons in the 80s and 90s. In 2008, Stevens Welding was sold and renamed DoAll Industries USA, LTD. This newly-named business went bankrupt. In May 2021, Steve Farden purchased the business assets and named it Stevens Welding and Machine.

Project Description

The loan being requested is for an asset/real estate purchase for the business. Keeping this decades-old company in Glenburn retains seven full-time positions. Farden plans on expanding the business to more than 20 employees. Over the years, Stevens has been an industry leader in utilizing cutting-edge technology for hydraulic, fabrication, welding and repair services. The company services not only the agricultural industry but the oilfield as well.

Financing

Cash Equity:	\$785,300
Real Estate Loan:	\$808,000
Equipment Loan:	\$1,406,700
Total Sources:	\$3,000,000

Recommendation

It is the recommendation of the Minot Area Chamber EDC to support this MAGIC Fund request. As a part of the request, we would ask for the \$128,571.49 in interest loan buydown from the MAGIC Fund Steering Committee and the Minot City Council for Stevens Welding and Machine in Glenburn, ND.

MAGIC Funds have been used for efforts of this sort many times in the past. This application represents one of the lowest risks for the MAGIC Fund to ensure critical workforce within the trade area stays employed under new ownership. The local bank and BND have gone through their underwriting criteria and credit analysis of the borrower and deemed them to be eligible. Regarding stewardship for the MAGIC Funds, Minot Area Chamber EDC recommends that project tracking procedures include the number of employees and proposed salary as indicated below.

End of 2021 - 7 employees, Avg. Salary of \$35/hr.

End of 2022 - 15 employees, Avg. Salary of \$35.75/hr.

End of 2023 - 25 employees, Avg. Salary of \$36.50/hr.

Documents:

[DOCUMENT_2021-10-18_105714.PDF](#)
[STEVENS WELDING BUSINESS PLAN.PDF](#)
[STEVENS WELDING PAYROLL PROJECTIONS.PDF](#)
[MAGIC FUND PROJECTED FINANCIALS REVISED.PDF](#)

4. FINANCIAL REPORT

Finance- Balance Sheet and Income Statement

Documents:

[BALANCE SHEET.PDF](#)
[INCOME STATEMENT \(003\).PDF](#)

5. OTHER BUSINESS

6. ADJOURN

MAGIC FUND SCREENING COMMITTEE

September 18, 2020

CITY COUNCIL CHAMBERS - SECOND FLOOR - CITY HALL

515 2nd AVE. SW

7:30 AM

A G E N D A

1. Approval of Minutes – April 26, 2019
2. MADC – A \$800,000 Grant to Purchase the Property at 120 Burdick Expressway East
3. Financial Report
4. Other Business
5. Adjourn

1. APPROVAL OF MINUTES

Minutes from the April 26, 2019 meeting are enclosed for you review and/or correction and approval.

2. MADC – \$800,00 Grant to Purchase the Property at 120 Burdick Expressway East

MADC is requesting a grant in the amount of \$800,000 in MAGIC funds to purchase the property at 120 Burdick Expressway East to create a Center for Technical Education Center in Minot (CTE).

Summary from Tim Mihalick, Chair, Community Stakeholders Committee:

Through that discussion the following parties have been involved:

- City of Minot
- Trinity Health
- Minot State University/Dakota College of Bottineau
- National Disaster Resiliency Fund/John Zakian
- MADC/John MacMartin

Through continued discussion Trinity presented a valuation on the property of \$1,100,000 as the asking price. After discussion it was decided to offer Trinity their asking price with a request that Trinity contribute back to the CTE center \$300,000 for a net cash acquisition of \$800,000, which is the amount we are requesting from the Magic Fund.

As the Magic Fund committee is aware there is approximately, \$3,500,000 available through NDR funding which would allow for renovation and initial equipment, IT (technology) needs, etc. to complete a turn key facility. John Zakian feels confident that this project would fit within the guidelines of the available funding.

Additionally, the committee has had discussion with the following foundations and intends to ask them for contributions to help complete the center in the listed amounts over a four-year period:

- MSU Foundation \$15,000 X 4 = \$60,000
- DCB Foundation \$10,000 X 4 = \$40,000
- St. Joe's Foundation \$15,000 X 4 = \$60,000

-MACF \$25,000 X 4 = \$100,000

The funding from the additional sources would ensure a state-of-the-art facility to educate students that will be able to respond to regional workforce needs.

Additional information is attached. MADC and members of the CTE Committee will be attending the meeting to answer questions.

3. Financial Report (Attached)

5. Adjourn

MAGIC Fund Steering Committee Minutes
April 26, 2019

ROLL CALL

Members Present: Hertz, Lundeen, Olson and Zimmerman

Members Absent: Bachmeier, Drady and Gates

1. APPROVAL OF MINUTES

Hertz moved the minutes of the May 18, 2018 meeting be approved as submitted.

The above motion was seconded by Lundeen and passed by the following roll call vote: ayes: Hertz, Lundeen, Olson and Zimmerman. nays: none

2. SBPC – Business Accelerator Fund (BAF) - \$1M Grant – Half in 2019 (\$500,000) and half in 2020 (\$500,000)

Lindsay Ulrickson, Executive Director, introduced herself and Briselda Hernandez, the Business Opportunity Manager. Ulrickson began the presentation (attached) discussing the SBPC Vision and Mission. SBPC serves the communities and counties within North Dakota Region 2 (Bottineau, Burke, McHenry, Mountrail, Renville, Pierce and Ward Counties).

SBPC has been a partner in progress for cities, counties, non-profits, businesses and individuals since 1972. We are a solutions-based team made up of entrepreneurs, elected officials, volunteers, and passionate staff. By listening to community members, they gain insight into the true needs and gaps of rural North Dakota. With community-driven discussions, we search for opportunities and resources to fill the gaps.

Ulrickson explained the make of the leadership team and members of committee.

Hernandez began covering the Bank of ND Flex Pace Overview loan. She explained it helps communities expand their economic development base by assisting businesses that make an investment in the community. It uses typical lending credit standards. Flex Pace provides funding to buy down a borrows interest rate as low as 1%. Hernandez asked the committee to reference the examples of scenarios in the packet.

Hernandez went on to say, this will help build resilient communities. The guidelines will follow BND guidelines. BAF may be used for the purchase of real

property, property investments, equipment and certain working capital requirements. BAF will generally be limited to a three year buy down period, not to exceed \$70,000. The interest rate will be between 1% and 5%. Maximum loan terms will be between five and ten years.

Ulrickson discussed the authority over the program will be the SBPC Board of Directors which meets monthly. SBPC would be using none of the MAGIC Fund dollars for administration costs. SBPC will cover this estimated cost of \$35,000. The board will review program financial reports and loan status reports at all regularly scheduled meetings.

At this time, the committee asked questions.

Lundeen questioned the equity requirement. SBPC and BND answered the equity will be determined by BND. It typically is 20%-25%.

Lundeen questioned if the principal will come back. SBPC answered all principal and interest will be borrowed back out.

Lundeen made a motion to approve \$300,000 in 2019 and \$300,000 in 2020. There was not a second motion so the motion did not pass.

Hertz made a motion to approve SBPC Business Accelerator Fund (BAF) \$1M Grant – half in 2019 (\$500,000) and half in 2020 (\$500,000).

The above motion was seconded by Olson and passed by the following roll call vote: ayes: Hertz, Olson and Zimmerman. nays: Lundeen

3. Minot Convention and Visitors Bureau (Visit Minot) with Minot Area Chamber of Commerce and Minot Area Development Corporation \$300,000 Grant

Stephanie Hoffart, President/CEO, MADC introduced herself. She informed the committee the MADC Board of Directors passed their vote of support for this collaborate marketing effort at their recent board meeting. Hoffart told the committee John MacMartin, President, Chamber of Commerce was unable to attend but his Board also voted in full support of this effort.

Tim Mihalick spoke on behalf of the IEDC Stakeholders. Mihalick informed the City of Minot had commissioned a study which gave a recommendation to form a committee. A committee was formed and the Mayor appointed Mr. Mihalick as the Project Chairman. Mihalick gave a brief background of the past year explaining the committee met several times. During these meetings they discussed focus areas to be addressed. Technical teams were developed from these discussions. (Downtown, Private Investment, and One Brand Committee) Now they are moving forward with the recommendation to develop a one

cohesive community brand with a supportive marketing plan. Mihalick stated the City of Minot needs one face and one voice. A marketing campaign needs to be put together to make this happen.

Olson questioned the timeline? Rianne Kuhn from Visit Minot informed once RFQ goes out, they will allow them to decide timeline. Mihalick informed the sooner the better. It is important to begin this process as soon as possible.

Lundeen questioned what the bid packet will include? Kuhn answered a scope of the work, a qualification sheet which will include percentages and the highest will show the qualifications. It will not exceed eight pages only the hard facts and qualifications. The selection committee will include two representatives from each entity.

Lundeen made a motion to approve Visit Minot, Minot Area Chamber of Commerce and Minot Area Development Corp. a \$300,000 grant

The above motion was seconded by Olson and passed by the following roll call vote: ayes: Hertz, Lundeen Olson and Zimmerman. nays: none

4. FINANCIAL REPORT

Sue Greenheck, City Comptroller, informed the committee the MAGIC Fund balance as of March 2019 is \$8.7M. Sales tax collections are 1.25% higher than this time last year.

Olson motion to approve the April 2018 financials.

The above motion was seconded by Lundeen and passed by the following roll call vote: ayes: Hertz, Lundeen Olson and Zimmerman. nays: none

5. OTHER BUSINESS - none

6. ADJOURNMENT

There being no further business, Hertz moved to adjourn the MAGIC Fund Steering Committee meeting.

Respectfully submitted,
Jason Zimmerman
Magic Fund Committee Chairman

September 8, 2020

Magic Fund Application Sources and Uses of Fund

The request is for \$800,000 to purchase the property located at 120 Burdick Expressway East, Minot, ND.

Request explanation:

There has been ongoing discussion led by Mayor Shaun Sipma who appointed, Lisa Olson, President of Minot City Council, to chair a committee to create a Center for Technical Education Center in Minot (CTE).

Through that discussion the following parties have been involved:

- City of Minot
- Trinity Health
- Minot State University/Dakota College of Bottineau
- National Disaster Resiliency Fund/John Zakian
- MADC/John MacMartin

Through continued discussion Trinity presented a valuation on the property of \$1,100,000 as the asking price. After discussion it was decided to offer Trinity their asking price with a request that Trinity contribute back to the CTE center \$300,000 for a net cash acquisition of \$800,000, which is the amount we are requesting from the Magic Fund.

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Additionally, the committee has had discussion with the following foundations and intends to ask them for contributions to help complete the center in the listed amounts over a four-year period:

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- DCB Foundation \$10,000 X 4 = \$40,000
- St. Joe's Foundation \$15,000 X 4 = \$60,000
- MACF \$25,000 X 4 = \$100,000

The funding from the additional sources would ensure a state-of-the-art facility to educate students that will be able to respond to regional workforce needs. **This project is a win for Minot!**

Respectfully submitted,

Tim Mihalick

Chair, Community Stakeholders Committee

OPERATIONAL COSTS											
CTE Programs (assumes 7-8 programs)			Baseline		Year 1	Year 2	Year 3	Year 4	Year 5		
(years 3-5 assume a new program added each of these years)											
Staffing/benefits			627500		627500	646325	740000	840000	940000		
TOTAL CTE PROGRAMMING			627500		627500	646325	740000	840000	940000		
Annual day-to-day operations											
Staffing/benefits			154000		154000	158620	163379	168280	173328		
Supplies			10000		10000	10300	10609	10927	11255		
Travel			10000		10000	10300	10609	10927	11255		
IT			10000		10000	10300	10609	10927	11255		
Annual copier lease (for 2 copiers)			8500		8500	8755	9018	9288	9567		
Phone			2500		2500	2575	2652	2732	2814		
State internet connection			15000		15000	15450	15913.5	16391	16883		
Utilities (heating, electrical, water, etc.)			50000		50000	51500	53045	54636	56275		
Custodial			50000		50000	51500	53045	54636	56275		
Snow removal/parking			5000		5000	5150	5304.5	5464	5628		
Marketing and promotions			20000		20000	20600	21218	21855	22510		
Insurance/Other			1500		1500	1545	1591	1639	1688		
Misc. Repairs			7500		7500	7725	7957	8195	8441		
TOTAL DAILY OPERATIONS			344000		344000	354320	364950	375898	387175		
TOTAL PROGRAMMING & OPERATIONS			\$971,500		\$971,500	\$1,000,645	\$ 1,104,950	\$ 1,215,898	\$ 1,327,175		
JOB CREATION											
FT Jobs Created by Employment at the Center (all with full benefits)					9	9	10	11	12		
PT Jobs (adjunct faculty)					2	2	2	3	4		
ONE-TIME MINOT CTE CENTER RENOVATION COSTS											
EQUIPMENT, IT, PARKING					REMODELING						
Program FF&E			590,000		Phase 1 Env. Review			35000			
Misc. Center FF&E			125,000		Phase 2 Env. Review			65000			
Start-up IT			25,000		Construction @ \$150/sf						
Phone			25,000		@ \$150 sf			2663100			
IVN Classrooms			100,000		@ \$180 sf			3195720			
Parking Improvements			100,000		TOTAL REMODELING @ \$150 SF			\$2,763,100			
Signage and Security			50,000								
TOTAL ONE-TIME AND FF&E			\$1,015,000		Estimated One-time Renovation Costs				\$2.75 to 3.25 million		
					Basement	5307	sf				
					1st floor	7048	sf				
					2nd floor	5399	sf				
					Total sf	17754	sf				

POSTSECONDARY CAREER AND TECHNICAL EDUCATION (CTE) IN MINOT – September 2020

Why is postsecondary CTE needed in Minot?

The skills/training provided in postsecondary CTE play a significant role in addressing the changing workforce needs of today's economy. CTE programs are a primary provider of the skilled workforce in the US, and many employers now partner with community college technical programs to ensure they have a well-trained, qualified workforce. Increasingly, many communities are realizing that access to postsecondary CTE programs is an economic development advantage that contributes to the overall vitality of their business climate. **Of the six largest cities in ND, Minot is the only one without access to a range of postsecondary CTE programs.**

What are the region-wide benefits of access to postsecondary CTE?

1. Economic competitiveness by having local programs to quickly respond to regional workforce needs.
2. Retaining and building human capital. Currently many area students who leave for CTE programs in other communities do not return. Having local programs will keep more students in the Minot area.

Considerations for postsecondary CTE in Minot

The relationship between Minot State and Dakota College at Bottineau uniquely positions the campuses to serve the need for postsecondary CTE. Between the two, a full complement of educational options would be available in Minot. These would include one-year CTE certificates, as well as associate's, bachelor's, and master's degrees. DCB and MSU have a strong history of working together and can readily develop strategies for CTE programming. Additionally, Minot Public Schools has a strong base of CTE at the secondary level, and opportunities to partner with MPS can enhance both the types and numbers of CTE programs in Minot.

Postsecondary CTE Start-up in Minot

A survey regarding CTE was distributed to Minot area businesses in early 2017. The results indicated a variety of needs in the region. DCB's review of the results suggested the College focus on programming related to Information Technology (IT) and Health. DCB has expanded its offerings in Minot and now offers the following CTE programs: Practical Nursing (Trinity Health campus); Associate Degree Nursing (Trinity Health); Paramedic Technology (Trinity Health); Diagnostic Medical Sonography (Trinity Health); Information Technology (MSU campus). Planning is underway to offer Golf & Turf Management (in partnership with the Minot Country Club) beginning in Fall 2021. Additional programs are being explored in Logistics/Supply Chain, Dealer Parts Management, Certified Nursing Assistants, Certified Medical Assistants, Medical Assisting, and Hospitality.

Although there are needs for CTE programs in such areas as welding, automotive technology, diesel technology, and HVAC, the start-up costs for the facilities and equipment needed for these programs are beyond the funding available at this time. It is estimated the costs to construct and outfit the classrooms and labs for a postsecondary trade or transportation program could be \$2+ million (per program). Given these high costs, the immediate focus is centered on high need, lower cost CTE programs that can be delivered in a facility that does not require expensive, single-purpose labs with high equipment costs.

Summary

- Minot is the largest community in North Dakota not currently served by postsecondary CTE programs.
- CTE is beneficial to the region by supporting existing businesses and recruitment/expansion efforts.
- There are identified workforce needs in IT, Hospitality, Allied Health, and Business Support Services.
- DCB, MSU, and MPS have a strong, effective working relationship that enables them to partner with the community to develop, implement, and facilitate postsecondary CTE programs.
- Strong secondary CTE programs exist at Minot HS, providing a good base for postsecondary programs.
- DCB and MSU can partner with other ND colleges to ensure Minot is well served with CTE programs.
- Immediate focus is on high need programs not requiring expensive, single-purpose labs or equipment.

MAGIC FUND APPLICATION

I. MAGIC FUND CONTACT OFFICE OF RESPONSIBILITY: MADC

II. PREVIOUS MAGIC FUND PROPOSALS/APPLICATIONS: None

III. THE FIRM:

A. Name of Company: Minot State University, Dakota College at Bottineau & MSU Foundation

B. Corporate Address: 500 University Ave., Minot, ND 58707

C. Project Address: 120 Burdick Expressway East, Minot, ND (proposed new CTE Center)

D. Telephone: 701-858-3300

E. Form of Business Ownership: Public University/Foundation

1. If a Corporation, Indicate Federal Tax ID #: _____

F. Project Principal(s)/Contact(s):

Name	Address	% Ownership
Steve Shirley, President, Minot State	500 University Ave, Minot, ND 58707	N/A
Jerry Migler, Campus Dean, DCB	105 Simrall Blvd, Bottineau, ND 58318	N/A

G. Product or Service: Center for Career & Technical Education (CTE)

H. Phase of Project: XX start-up _____ expansion _____ retention

I. Current Company Status:

1. Current Number of Employees

a. Full Time: 0

Average Hourly Wage: N/A

b. Part Time: 0

Average Hourly Wage: N/A

J. Primary Bank Account(s)

1. Name: N/A

2. Address: _____

3. Telephone: _____

4. Contact Person: _____

K. Company Attorney

1. Name: Eric Olson and Chris Pieske

2. Address: ND Attorney General Office, 600 E. Blvd Ave., Bismarck, ND 58505

3. Telephone: 701-328-3597

IV. PROJECT FUNDS SOURCE/USE STATEMENT

Source	Amount/Form	Use
<u>See attached document</u>		
TOTAL	\$	

V. CURRENT AND PROJECTED EMPLOYMENT

	Existing Jobs	Employment Projections	
	<u>9/20</u> (date)	<u>2022</u> (year)	<u>2026</u> (year)
Professional	<u>0</u>	<u>7 FT + 2 PT</u>	<u>10FT + 4 PT</u>
Managerial	<u>0</u>	<u>2 FT</u>	<u>2FT</u>
Skilled	<u>0</u>		
Semi-Skilled	<u>0</u>		
Unskilled	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total	<u>0</u>		
Average Hourly Wage Each Year		<u>\$19-29/HR</u>	<u>\$22-33/HR</u>

VI. ALL APPLICANTS

- A. A completed MAGIC Fund Application form.
- B. Enclose information concerning any pending or threatening litigation or administrative proceeding or any outstanding administration orders, judgments, or injunctions to include company officials or any of the principals involved in bankruptcy (for the past five years) N/A

VII. NEW BUSINESS VENTURES

- A. List three professional and three personal references.
 - 1. (professional) _____
 - 2. (professional) _____
 - 3. (professional) _____
 - 4. (personal) _____
 - 5. (personal) _____
 - 6. (personal) _____
- B. A business plan that include no less than three years pro-forma financial statements (balance sheet, income statement and cashflow statement). 5-year plan attached.
- C. Signed personal financial statements for all principals who hold more than 20% interest in the venture. N/A

VIII. EXISTING BUSINESSES (Expansion/Retention/Relocation)

- A. Enclose financial statements for the past three fiscal years, including: balance sheets, income statements. If unaudited, the statements must be signed and dated by an authorized financial officer of the business. N/A
- B. Enclose most recent interim financial statements (balance sheet and income statements). N/A
- C. Enclose Federal Tax returns filed by the business principals for the previous three years, if the applicant is a sole proprietorship, partnership, or corporation that does not have its financial statements audited or reviewed. N/A
- D. Enclose a business plan, which shall include no less than three years of pro-forma financial statements (balance sheet, income statement, and cashflow statement). 5-year plan attached.
- E. Attach a typewritten narrative describing the company, the project, markets served, jobs being retained/created, benefits offered, community/regional impact, competition, and any other information that may help describe the project and funding request. Whitepaper attached.

The data which you supply to this department will be used to assess your firm's qualifications for MAGIC Fund assistance. Any information the company deems confidential/proprietary should be defined when presenting the application. All information submitted that can be protected by the North Dakota open records laws will be omitted from the public record as determined appropriate.

By signing below you represent that you are duly authorized to verify the foregoing application, that you have read it, and that you are familiar with the statements contained therein, which you verify are true.

SIGNATURE AND TITLE_____

DATE: _____

City of Minot, North Dakota
Economic Development Growth Fund
Balance Sheet
August 31, 2020
With Comparative Totals for August 31, 2019
(Unaudited)

	Aug 31, 2020	Aug 31, 2019
ASSETS		
Current Assets		
Cash and Investments	\$ 7,699,917	\$ 7,464,236
Restricted Cash and Investments		
SBPC PACE Revolving Loan Fund for Interest Buydowns	\$ 750,000	
Visit Minot for Consultant to develop a community wide branding strategy	300,000	
Total Restricted Cash and Investments	1,050,000	1,050,000
Current Loans Receivable		
Cypress Development	750,000	750,000
Kalix	63,000	63,000
Allowance for Loans Receivable @ 20%	(362,600)	(362,600)
Total Current Assets	9,200,317	8,964,636
Noncurrent Assets		
Loans Receivable		
Cypress Development	1,000,000	1,000,000
Total Noncurrent Assets	1,000,000	1,000,000
Total Assets	<u>\$ 10,200,317</u>	<u>\$ 9,964,636</u>
LIABILITIES		
Accounts Payable	\$ -	\$ 3,000
Total Liabilities	<u>-</u>	<u>3,000</u>
FUND BALANCE		
Restricted	\$ 10,200,317	\$ 9,961,636
Total Fund Balance	10,200,317	9,961,636
Total Liabilities and Fund Balance	<u>\$ 10,200,317</u>	<u>\$ 9,964,636</u>

	Current Amount Due	Date Due	Last Payment
Loans Receivable			
Kalix - Minot Vocational Adjustment Workshop	\$ 12,600	06/01/2021	n/a
Renaissance Parking Ramp	375,000	12/16/2025	n/a
Central Parking Ramp - Forgivable Loan	375,000	12/16/2025	n/a
Parking Ramps Loan	1,000,000	10 year maturity	12/15/2025
SkySkopes - Forgivable Loan	125,033	7/1/2021	

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget to Actual
Special Revenue Fund
August 31, 2020
With Comparative Totals for August 31, 2019
(Unaudited)

Sales Tax Economic Development					
	Original Budgeted Amounts	Final Budgeted Amounts	Aug 31, 2020 Actual Amounts	Variance with Final Budget	Aug 31, 2019 Actual Amounts
REVENUES					
Sales tax collections	\$ 1,000,000	\$1,000,000	\$ 876,597	\$ 123,403	\$ 947,005
Interest income	21,003	21,003	-	21,003	-
Miscellaneous	-	-	25,007	(25,007)	2,520
Total revenues	1,021,003	1,021,003	901,604	119,399	949,525
EXPENDITURES					
Current					
Economic Development	81,553	763,446	73,240	690,206	258,985
Marketing - MADC	253,356	253,356	258,367	(5,011)	219,000
MAFB Retention	46,667	46,667	28,272	18,395	10,969
General Administration	667	667	-	667	-
Audit Compliance Contract	2,000	2,000	-	2,000	3,000
Total expenditures	384,243	1,066,135	359,879	706,256	491,954
Excess (deficiency) of revenues over (under) expenditures	636,760	(45,133)	541,725	(586,858)	457,571
OTHER FINANCING SOURCES (USES)					
Transfers out	(118,447)	(385,113)	(518,447)	133,334	(777,622)
Total other financing sources (uses)	(118,447)	(385,113)	(518,447)	133,334	(777,622)
Net change in fund balance	\$ 518,313	\$ (430,246)	23,278	\$ (453,524)	(320,051)
Fund balance, January 1			10,177,039		10,281,687
Fund balance, July 31			<u>\$10,200,317</u>		<u>\$ 9,961,636</u>
	\$ 518,313	(430,246)	10,200,317	(453,524)	9,961,636

Sales Tax - First Penny	2016	2017	2018	2019	2020	2021
January	1,073,447.18	1,092,148.21	1,202,974.02	1,043,272.87	1,120,906.36	
February	982,501.96	711,861.09	753,896.84	903,257.47	615,653.81	
March	708,597.79	705,525.30	524,286.77	565,591.28	914,086.27	
April	790,569.80	640,082.86	924,895.07	1,000,807.12	642,955.12	
May	960,563.47	993,474.66	760,100.12	859,680.24	501,580.95	
June	845,164.38	865,945.71	713,433.15	637,916.33	1,074,529.24	
July	743,207.04	945,977.21	1,152,039.27	1,302,838.89	974,267.77	
August	1,112,766.06	792,535.87	916,349.83	843,498.66		
September	924,022.07	748,469.32	762,096.37	1,041,767.46		
October	921,549.07	1,078,494.96	1,101,698.09	1,074,156.98		
November	891,184.03	757,235.69	872,289.59	663,787.39		
December	733,998.53	685,831.47	906,973.11	1,143,540.64		
	10,687,571.38	10,017,582.35	10,591,032.23	11,080,115.33	5,843,979.52	
Year to Date	5,360,844.58	5,009,037.83	4,879,585.97	5,010,525.31	5,843,979.52	
Over/(Under) YTD	-58.819%	-6.56%	-2.58%	2.68%	16.63%	
% Year	50.160%	50.002%	46.073%	45.221%	100.000%	
Yearly % Comparison	-17.900%	-6.269%	5.724%	4.618%	-47.257%	
Budget	12,608,727.00	9,112,443.00	9,112,443.00	10,000,000.00	10,000,000.00	
YTD Est Collections	12,608,727.00	9,112,443.00	9,112,443.00	10,000,000.00	5,833,333.33	
Over/(Under) Budget	-57.48%	-45.03%	-46.45%	-49.89%	0.18%	

Sales Tax - Second Penny

	2014	2015	2016	2017	2018	2019	2020
January	1,193,808.86	1,359,006.96	1,073,447.18	1,092,148.22	1,202,974.03	1,043,272.87	1,120,906.35
February	822,210.65	975,452.71	982,501.96	711,861.09	753,896.85	903,257.47	615,653.81
March	934,150.18	1,147,677.78	708,597.78	705,525.30	524,286.77	565,591.28	914,086.26
April	980,196.27	1,069,448.67	790,569.81	640,082.86	924,895.07	1,000,807.12	642,955.12
May	895,212.44	913,979.51	960,563.47	993,474.65	760,100.12	859,680.24	501,580.95
June	1,167,233.49	1,106,154.58	845,164.38	865,945.71	713,433.15	637,916.34	1,074,529.23
July	1,270,110.93	1,294,047.43	743,207.04	945,977.22	1,152,039.28	1,302,838.90	974,267.77
August	949,306.39	1,075,763.60	1,112,766.07	792,535.87	916,349.84	843,498.66	
September	1,454,132.42	978,419.09	924,022.07	748,469.31	762,096.38	1,041,767.46	
October	1,421,280.73	1,019,840.82	921,549.07	1,078,494.95	1,101,698.10	1,074,156.98	
November	1,151,167.62	1,153,327.13	891,184.03	757,235.68	872,289.60	663,787.38	
December	1,384,131.02	924,657.44	733,998.53	685,831.46	906,973.10	1,143,540.64	
	13,622,941.00	13,017,775.72	10,687,571.39	10,017,582.32	10,591,032.29	11,080,115.34	5,843,979.49
Year to Date	7,262,922.82	7,865,767.64	6,104,051.62	5,955,015.05	6,031,625.27	6,313,364.22	5,843,979.49
Over/(Under) YTD	9.69%	8.30%	-22.40%	-2.44%	1.29%	4.67%	-7.43%
% Year	53.314%	60.423%	57.114%	59.446%	56.950%	56.979%	100.000%
Yearly % Comparison	9.641%	-4.442%	-17.900%	-6.269%	5.724%	4.618%	-47.257%
Budget	10,806,093.00	11,500,000.00	12,608,727.00	9,112,443.00	9,112,443.00	10,000,000.00	10,000,000.00
YTD Est Collections	10,806,093.00	11,500,000.00	10,507,272.50	9,112,443.00	9,112,443.00	10,000,000.00	5,833,333.33
Over/(Under) Budget	-32.79%	-31.60%	-41.91%	-34.65%	-33.81%	-36.87%	0.18%



**MINOT AREA
CHAMBER EDC**

1020 20th Avenue SW
PO Box 940
Minot, North Dakota 58702-0940

Telephone: 701.852.6000
Fax: 701.838.2488
www.minotchamberedc.com
minot@minotchamberedc.com

MEMO

TO: MAGIC Fund Committee and City Council
FROM: L. John MacMartin, President
DATE: October 7, 2021
SUBJECT: MAGIC Fund Request – Stevens Welding and Machine

1. Request

Stevens Welding and Machine in Glenburn, ND has been approved by First Western Bank and Trust and Bank of North Dakota for a PACE loan. Through the MAGIC Fund, the business is looking to secure the community's portion of the interest buydown; this portion is \$128,571.49. BND will provide their portion of this 70/30 split in the amount of \$300,000, as an interest buydown.

2. Background

Stevens Welding was founded by Roy Stevens after World War II. The business was operated by his sons in the 80s and 90s. In 2008, Stevens Welding was sold and renamed DoAll Industries USA, LTD. This newly-named business went bankrupt. In May 2021, Steve Farden purchased the business assets and named it Stevens Welding and Machine.

3. Project Description

The loan being requested is for an asset/real estate purchase for the business. Keeping this decades-old company in Glenburn retains seven full-time positions. Farden plans on expanding the business to more than 20 employees. Over the years, Stevens has been an industry leader in utilizing cutting-edge technology for hydraulic, fabrication, welding and repair services. The company services not only the agricultural industry but the oilfield as well.



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4. Financing

Cash Equity:	\$785,300
Real Estate Loan:	\$808,000
Equipment Loan:	<u>\$1,406,700</u>
Total Sources:	\$3,000,000

5. Recommendation

It is the recommendation of the Minot Area Chamber EDC to support this MAGIC Fund request. As a part of the request, we would ask for the \$128,571.49 in interest loan buydown from the MAGIC Fund Steering Committee and the Minot City Council for Stevens Welding and Machine in Glenburn, ND.

MAGIC Funds have been used for efforts of this sort many times in the past. This application represents one of the lowest risks for the MAGIC Fund to ensure critical workforce within the trade area stays employed under new ownership. The local bank and BND have gone through their underwriting criteria and credit analysis of the borrower and deemed them to be eligible. Regarding stewardship for the MAGIC Funds, Minot Area Chamber EDC recommends that project tracking procedures include the number of employees and proposed salary as indicated below.

End of 2021 – 7 employees, Avg. Salary of \$35/hr.

End of 2022 – 15 employees, Avg. Salary of \$35.75/hr.

End of 2023 – 25 employees, Avg. Salary of \$36.50/hr.

MAGIC FUND APPLICATION

I. MAGIC FUND CONTACT OFFICE OF RESPONSIBILITY: ZACH BURDICK, STEVE FARDEN AND/OR TERALYN FARDEN

II. PREVIOUS MAGIC FUND PROPOSALS/APPLICATIONS: NONE

III. THE FIRM:

- A. Name of Company: STEVENS WELDING AND MACHINE LLC
- B. Corporate Address: 502 COUNTY ROAD SOUTH - PO BOX 8 - GLENBURN, ND 58740
- C. Project Address: 502 COUNTY ROAD SOUTH - PO BOX 8 - GLENBURN, ND 58740
- D. Telephone: 701-362-7419
- E. Form of Business Ownership: S-CORPORATION
1. If a Corporation, Indicate Federal Tax ID #: 86-3816885
- F. Project Principal(s)/Contact(s):

Name	Address	% Ownership
<u>STEVE FARDEN</u>	<u>9035 COUNTY ROAD 17B-MAXBASS, ND 58760</u>	<u>100% OWNER</u>
<u>TERALYN FARDEN</u>	<u>9035 COUNTY ROAD 17B-MAXBASS, ND 58760</u>	

- G. Product or Service: FULL SERVICE HYDRAULIC SHOP, FABRICATION, OILFIELD AND AGRICULTURE WELDING AND REPAIR AND MACHINING FACILITY
- H. Phase of Project: X start-up expansion retention
- I. Current Company Status:
1. Current Number of Employees
- a. Full Time: 7 Average Hourly Wage: \$35.09
- b. Part Time: 0 Average Hourly Wage: \$0
- J. Primary Bank Account(s)
1. Name: FIRST WESTERN BANK AND TRUST
2. Address: 900 SOUTH BROADWAY-MINOT, ND 58701
3. Telephone: 701-852-3711
4. Contact Person: ZACH BURDICK
- K. Company Attorney
1. Name: FRANTVOG LAW, P.C.- DEAN FRANTVOG

2. Address: PO BOX 667-MINOT, ND 58702-0667
3. Telephone: 701-833-1985

IV. PROJECT FUNDS SOURCE/USE STATEMENT

Source	Amount/Form	Use
FWBT RE Loan	\$1,406,700	
FWBT Equipment Loan	\$808,000	
Cash Equity	\$785,300	
Total Sources:	\$3,000,000	
	\$3,000,000	Purchase Business Assets
	\$3,000,000	Total Uses:
TOTAL	\$	

V. CURRENT AND PROJECTED EMPLOYMENT

	Existing Jobs 09/30/2021 (date)	Employment Projections 2022 (year)	2023 (year)
Professional	1	1	1
Managerial	0	1	1
Skilled	6	11	18
Semi-Skilled	0	2	5
Unskilled	0	0	0
Total	7	15	25

Average Hourly

Wage Each Year \$35.09 \$35.89 \$37.46

VI. ALL APPLICANTS

- A. A completed MAGIC Fund Application form.
- A. Enclose information concerning any pending or threatening litigation or administrative proceeding or any outstanding administration orders, judgments, or injunctions to include company officials or any of the principals involved in bankruptcy (for the past five years)

VII. NEW BUSINESS VENTURES

- A. List three professional and three personal references.
1. (professional) TWYLA BUTER-BUTLER MACHINERY-FARGO, ND
 2. (professional) RYAN HOKENSON-GENERAL EQUIPMENT-MINOT, ND
 3. (professional) DENNIS DAY-FAST TRUCKING-CARNDUFF, SASKATCHEWAN-CANADA
 4. (personal) LYNN STEVENS-GLENBURN, ND
 5. (personal) BILL BAUER-FARGO, ND
 6. (personal) GREG TSCHETTER-MINOT, ND
- B. A business plan that include no less than three years pro-forma financial statements (balance sheet, income statement and cashflow statement).
- C. Signed personal financial statements for all principals who hold more than 20% interest in the venture.

VIII. EXISTING BUSINESSES (Expansion/Retention/Relocation)

- A. Enclose financial statements for the past three fiscal years, including: balance sheets, income statements. If unaudited, the statements must be signed and dated by an authorized financial officer of the business.
- B. Enclose most recent interim financial statements (balance sheet and income statements).
- C. Enclose Federal Tax returns filed by the business principals for the previous three years, if the applicant is a sole proprietorship, partnership, or corporation that does not have its financial statements audited or reviewed.
- D. Enclose a business plan, which shall include no less than three years of pro-forma financial statements (balance sheet, income statement, and cashflow statement).
- E. Attach a typewritten narrative describing the company, the project, markets served, jobs being retained/created, benefits offered, community/regional impact, competition, and any other information that may help describe the project and funding request.

The data which you supply to this department will be used to assess your firm's qualifications for MAGIC Fund assistance. Any information the company deems confidential/proprietary should be defined when presenting the application. All information submitted that can be protected by the North Dakota open records laws will be omitted from the public record as determined appropriate.

By signing below you represent that you are duly authorized to verify the foregoing application, that you have read it, and that you are familiar with the statements contained therein, which you verify are true.

SIGNATURE AND TITLE _____

A handwritten signature in dark ink, appearing to be "J. P. [unclear]", written over a horizontal line.

DATE: 10/6/2021

Business Plan

Summary

Stevens Welding and Machine is locally owned by Steven Farden with services including a full-service hydraulic shop, fabrication, oilfield welding and repair and machining in Glenburn, North Dakota.

History

- Stevens Welding was founded in Glenburn, North Dakota by Roy Stevens after World War II
- In 1985, Roy's sons, Lynn and Rodney Stevens, began operating the business
- In the early 1990's, Rodney Stevens retired and Lynn Stevens became the soul owner
- In 2008, Stevens Welding was sold and renamed, DoAll Industries USA, LTD
- In May 2021, Steven Farden purchased the business assets and named it Stevens Welding and Machine

Company Description

Since Roy Stevens opened the business, the common focus of all owners has been to be an industry leader utilizing cutting edge technology for hydraulic, fabrication, welding and repair services. This has included acquiring various and equipment to create parts and supplies to repair oilfield and farm items, build new drilling rigs, create customer specific parts for their manufacturing needs and maintain a full-service hydraulic repair service.

Market Analysis

Stevens Welding and Machine is the longest operating business of its unique kind servicing not only the agricultural industry but the oilfield as well.

Organization and Management

Structure

Stevens Welding and Machine is structured as a Limited Liability Corporation fully owned by Steven Farden.

Owner

Steve attended the North Dakota State College of Science graduating with an Associate Degree in Civil Engineering and Surveying Technology. He has worked at Farden Construction since his youth, continuing to work his way up in the business acquiring various skills and certifications. He currently has over 30 years of Heavy Construction Operation and Aggregate Production experience and has been President of Farden Construction, Inc. since 2006 and the president of Kemper Construction Company

since July 2014. His duties include but are not limited to reviewing projects and site plans and data, bidding projects, overseeing projects to ensure they are completed in a timely, cost effective manner while meeting with and ensuring stakeholder's requests are met, overseeing all financial operational aspects for all businesses including asset purchases and maintenance and overseeing all staffing operations of multiple businesses. Steve has been on the Associated General Contractors of North Dakota Municipal/Heavy Board since 2018 and has been the Division Vice President of the Municipal/Heavy Board since 2019.

Operations Manager

Josh Martin graduated from the North Dakota State College of Science with an Associate degree in Architectural Drafting and Estimating. He has worked at the original Stevens Welding and DoAll Industries USA LTD for a total of 19 years of which 12 years have been as a manager. His duties include drafting, quoting jobs, ordering materials, overseeing and working on jobs on the shop floor, managing all activities including maintenance of all equipment and machines, ordering supplies, managing staff and building and grounds maintenance.

Office Assistant

As business progresses, we will seek to hire an Office Assistant for various tasks including, but not limited to, receptionist, general bookkeeping such as accounts receivable entry and accounts payable entry and assistant to the Comptroller.

Employees

There are currently seven full-time employees at the business with plans to expand to 20. The seven employees are all long-term former employees at both the original Stevens Welding and DoAll Industries USA, LTD who possess specialized skills in the key areas of business service areas.

Comptroller

Teralyn Farden graduated from the University of Mary with a Bachelor's degree in Business Administration and a concentration in Computer Information Systems. She worked for the North Dakota Department of Human Services as the Electronic Benefits Transfer (EBT) Administrator for 10 years with duties that included procuring, designing, testing and implementing the first dual-state EBT system for the administration of food stamp benefits in the United States. She had the responsibility of setting up and training the grocery retailers and all County Social Service office staff in the State of North Dakota on an ongoing basis, reconciling funds in the federal reserve system, development of employee, client and public training material and managing and coordinating the rollout of the EBT system to other agencies such as Job Service North Dakota, Child Support and Workforce Safety and Insurance. Teralyn was also the Child Support Administrator for North Central North Dakota for three years in which time she managed all aspects of the Child Support Program including paternity determination, child support court orders, enforcement of orders, all staffing aspects including hiring, training and terminations and also managed the EBT system for the State of North Dakota during this time for the various state agencies utilizing the program.

Services

Hydraulic Shop has the ability to repair and manufacture hydraulic cylinders, pumps and valves which are used in the construction, agriculture and oilfield industries.

Fabrication is the manufacturing of components for drilling rigs, various piping and tanks for the oil industry and the repair and manufacturing of grain handling equipment and creating various tools for the agriculture community.

Oilfield Welding and Repair includes fixing pump jack components and servicing and rebuilding drilling rig machinery.

Machining is the utilization of various tools utilized by the repair and manufacturing parts of the business.

Marketing and Sales

Radio advertising, social media and face-to-face contacts will be the primary means of marketing and obtaining sales along with reaching out to our peers. The Company formerly worked for various governmental agencies and private businesses such as the Minot Air Force Base, the Corp of Engineers and the power plant industry in North Dakota of which we anticipate pursuing these opportunities again.

AQAAMAFASA
AAAAAAAAACurrent Average Hely Wage
721 wks 5/1/21 thru 9/25/21 (last payroll)
35 wks 5/1/21 thru 12/31/21employees 5/1/21-12-31/21
25 weeks @ 40 hrs/week=1040 hr

Employee Wages, Taxes and Adjustments	Employee 1		Employee 2		Employee 3		Employee 4		Employee 5		Employee 6		Employee 7		TOTAL	employees 5/12/12-12/31/21 39 weeks @ 40 hrs/week=1440 hrs							
	Hours	Rate	May 1 - Oct 2, 21	Hours	Rate	May 1 - Oct 2, 21	Hours	Rate	May 1 - Oct 2, 21	Hours	Rate	May 1 - Oct 2, 21	Hours	Rate			May 1 - Oct 2, 21						
	May 1 - Oct 2, 21	May 1 - Oct 2, 21	May 1 - Oct 2, 21	May 1 - Oct 2, 21	May 1 - Oct 2, 21	May 1 - Oct 2, 21	May 1 - Oct 2, 21	May 1 - Oct 2, 21	May 1 - Oct 2, 21	May 1 - Oct 2, 21	May 1 - Oct 2, 21	May 1 - Oct 2, 21	May 1 - Oct 2, 21	May 1 - Oct 2, 21									
Gross Pay																							
Salary		\$	-		\$	-	840.00		\$	36,346.17		\$	-		\$	-	\$ 36,346.17						
Hourly	734.63	27.00	\$ 19,835.01	695.79	30.00	\$ 20,873.70			754.35	33.50	\$ 25,270.74	592.57	15.00	\$ 8,888.55	686.83	30.50	\$ 20,948.33	808.99	25.50	\$ 20,629.26	\$ 116,445.59		
Hourly - Overtime	41.11	40.50	\$ 1,664.99	12.93	45.00	\$ 581.85			57.67	50.25	\$ 2,897.92	5.35	22.50	\$ 120.39	5.63	45.75	\$ 257.59	49.13	38.25	\$ 1,879.23	\$ 7,401.97		
Vacation		\$	-	27.53	30.00	\$ 825.90				\$	-				\$	-				\$	-		
Total Gross Pay	775.74	\$	21,500.00	736.25	\$	22,281.45	840.00		\$	36,346.17	812.02	\$	28,168.66	597.92	\$	9,008.94	692.46	\$	21,205.92	858.12	\$	22,508.49	\$ 161,019.63
Deductions from Gross Pay																							
BCBS Fam NEW 802800 pretax 5 21		\$	-		\$	(7,055.95)				\$	-				\$	-				\$	-	\$ (7,055.95)	
BCBS S 802800 pretax 5 2021		\$	-		\$	-				\$	(1,456.07)				\$	-				\$	(1,456.07)	\$ (2,912.14)	
Dental-Family 5 2021		\$	-		\$	-				\$	-				\$	-				\$	-	\$ -	
Dental - Family 01 2020		\$	-		\$	-				\$	-				\$	-				\$	-	\$ -	
Vision-Family 5 2021		\$	-		\$	-				\$	-				\$	-				\$	-	\$ -	
Vision - Family 01 2020		\$	-		\$	-				\$	-				\$	-				\$	-	\$ -	
Total Deductions from Gross Pay		\$	-		\$	(7,055.95)				\$	(1,456.07)				\$	-				\$	-	\$ (9,568.09)	
Adjusted Gross Pay	775.74	\$	21,500.00	736.25	\$	15,225.50	840.00		\$	36,346.17	812.02	\$	26,712.59	597.92	\$	9,008.94	692.46	\$	21,205.92	858.12	\$	21,052.42	\$ 151,051.54
Taxes Withheld																							
Federal Withholding		\$	(1,269.00)		\$	(656.00)			\$	(2,917.00)		\$	(1,895.00)		\$	(851.00)		\$	(1,237.00)		\$	(1,851.00)	\$ (10,676.00)
Medicare Employee		\$	(311.75)		\$	(220.77)			\$	(527.02)		\$	(387.33)		\$	(130.63)		\$	(307.49)		\$	(305.26)	\$ (2,190.25)
Social Security Employee		\$	(1,333.00)		\$	(943.98)			\$	(2,253.46)		\$	(1,656.18)		\$	(568.55)		\$	(1,314.77)		\$	(1,305.25)	\$ (9,365.19)
ND - Withholding		\$	(245.00)		\$	(149.00)			\$	(526.00)		\$	(349.00)		\$	(76.00)		\$	(240.00)		\$	(225.00)	\$ (1,810.00)
Medicare Employee Addl Tax		\$	-		\$	-			\$	-		\$	-		\$	-		\$	-		\$	-	\$ -
Total Taxes Withheld		\$	(3,158.75)		\$	(1,969.75)			\$	(6,223.48)		\$	(4,287.51)		\$	(1,615.18)		\$	(3,099.26)		\$	(3,686.51)	\$ (24,041.44)
Net Pay	775.74	\$	18,341.25	736.25	\$	13,255.75	840.00		\$	30,122.69	812.02	\$	22,425.08	597.92	\$	7,393.76	692.46	\$	18,106.66	858.12	\$	17,365.91	\$ 127,010.10
Employer Taxes and Contributions																							
Federal Unemployment		\$	42.00		\$	42.00			\$	42.00		\$	42.00		\$	42.00		\$	42.00		\$	42.00	\$ 294.00
Medicare Company		\$	311.75		\$	220.77			\$	527.02		\$	387.33		\$	130.63		\$	307.49		\$	305.26	\$ 2,190.25
Social Security Company		\$	1,333.00		\$	943.98			\$	2,253.46		\$	1,656.18		\$	568.55		\$	1,314.77		\$	1,305.25	\$ 9,365.19
ND - Unemployment Company		\$	1,897.25		\$	2,069.95			\$	3,376.56		\$	2,616.87		\$	835.93		\$	1,970.03		\$	2,091.04	\$ 14,958.73
Total Employer Taxes and Contributions		\$	3,684.10		\$	3,276.70			\$	6,199.04		\$	4,702.38		\$	1,569.11		\$	3,634.29		\$	3,743.55	\$ 26,808.17

Est Future Employee Count & Wages

	# Total Employees	Est Aver Wage	Est Annual Wage	Est Aver Annl Wage	Est Ave Annl Hely Wage
2022 Addtl Employee Wage Calcs					
Professional	1	\$ 45.67	94,893.60	\$ 45.67	45.67
Managerial	1	\$ 16.00	33,280.00	\$ 16.00	
Skilled	15	\$ 28.00	872,600.00	\$ 28.00	
Semi-Skilled	2	\$ 17.00	70,720.00	\$ 17.00	26.11
TOTAL EST Wage 2022	19		1,072,593.60	56,452.29	35.89
2023 Addtl Employee Wage Calcs					
Professional	1	\$ 48.08	100,006.40	\$ 48.08	48.08
Managerial	1	\$ 17.00	35,360.00	\$ 17.00	
Skilled	25	\$ 29.00	1,508,000.00	\$ 29.00	
Semi-Skilled	5	\$ 18.00	187,200.00	\$ 18.00	26.84
TOTAL EST Wage 2023	32		1,830,566.40	57,205.20	28.02



Projected Income Statements

	2021	2022	2023
Revenue	\$ 1,000,000.00	\$ 2,500,000.00	\$ 2,750,000.00
Cost of Goods Sold	\$ 400,000.00	\$ 1,000,000.00	\$ 1,100,000.00
Gross Profit	\$ 600,000.00	\$ 1,500,000.00	\$ 1,650,000.00
Total Expenses	\$ 400,000.00	\$ 500,000.00	\$ 550,000.00
Earnings Before Tax	\$ 200,000.00	\$ 1,000,000.00	\$ 1,100,000.00
Taxes	\$ 60,000.00	\$ 300,000.00	\$ 330,000.00
Net Earnings	\$ 140,000.00	\$ 700,000.00	\$ 770,000.00



Projected Balance Sheet

	2021	2022	2023
Assets			
First Western Checking	\$ 30,000.00	\$ 40,000.00	\$ 50,000.00
Accounts Receivable	\$ 1,200,000.00	\$ 2,500,000.00	\$ 2,750,000.00
Equipment and Vehicles	\$ 1,875,600.00	\$ 1,875,600.00	\$ 1,875,600.00
Office Furniture & Equipment	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Inventory	\$ 444,400.00	\$ 700,000.00	\$ 800,000.00
Total Asset	\$ 3,600,000.00	\$ 5,165,600.00	\$ 5,525,600.00
Liabilities			
Current Liabilities			
First Western Line of Credit	\$ 500,000.00	\$ 1,000,000.00	\$ 1,000,000.00
Accounts Payable	\$ 100,000.00	\$ 750,000.00	\$ 1,000,000.00
Total Current Liabilities	\$ 600,000.00	\$ 1,750,000.00	\$ 2,000,000.00
Long-Term Liabilities			
First Western Note	\$ 3,000,000.00	\$ 2,800,000.00	\$ 2,600,000.00
Total Long-Term Liabilities	\$ 3,000,000.00	\$ 2,800,000.00	\$ 2,600,000.00
Shareholder Equity	\$ -	\$ 615,600.00	\$ 925,600.00
Total Liabilities & Equity	\$ 3,600,000.00	\$ 5,165,600.00	\$ 5,525,600.00

City of Minot, North Dakota
Economic Development Fund
Balance Sheet
September 30, 2021
With Comparative Totals for September 30, 2020
(Unaudited)

	Sept 30, 2021	Sept 30, 2020
ASSETS		
Current Assets		
Cash and Investments	\$ 7,370,746	\$ 7,886,658
Restricted Cash and Investments		
SBPC PACE Revolving Loan Fund for Interest Buydowns	\$ 579,126	
Visit Minot Professional Marketing Consultant	9,561	
Visit Minot Tourism Recovery & Resilience	398,891	
MSU Foundation Center for Technical Education	800,000	
Total Restricted Cash and Investments	1,787,578	881,235
Current Loans Receivable		
Cypress Development	750,000	750,000
Kalix	48,938	63,000
Allowance for Loans Receivable @ 20%	(357,560)	(362,600)
Total Current Assets	9,599,702	9,218,293
Noncurrent Assets		
Loans Receivable		
Cypress Development	1,000,000	1,000,000
Total Noncurrent Assets	1,000,000	1,000,000
Total Assets	<u>\$ 10,599,702</u>	<u>\$ 10,218,293</u>
LIABILITIES		
Accounts Payable	\$ -	\$ 12
Total Liabilities	<u>-</u>	<u>12</u>
FUND BALANCE		
Committed	\$ 10,599,702	\$ 10,218,281
Total Fund Balance	10,599,702	10,218,281
Total Liabilities and Fund Balance	<u>\$ 10,599,702</u>	<u>\$ 10,218,293</u>

	Current Amount Due	Date Due	Last Payment
Loans Receivable			
Kalix - Minot Vocational Adjustment Workshop	\$ 12,600	06/01/2022	n/a
Renaissance Parking Ramp	375,000	12/16/2025	n/a
Central Parking Ramp - Forgivable Loan	375,000	12/16/2025	n/a
Parking Ramps Loan	1,000,000	10 year maturity 12/15/2025	

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget to Actual
Special Revenue Fund
September 30, 2021
With Comparative Totals for September 30, 2020
(Unaudited)

Sales Tax Economic Development					
	Original Budgeted Amounts	Final Budgeted Amounts	Sept 30, 2021 Actual Amounts	Variance with Final Budget	Sept 30, 2020 Actual Amounts
REVENUES					
Sales tax collections	\$ 956,250	\$ 956,250	\$ 1,139,704	\$ 183,454	\$ 1,017,135
Interest income	26,363	26,363	-	(26,363)	-
Miscellaneous	-	-	13,916	13,916	25,007
Total revenues	982,613	982,613	1,153,620	171,008	1,042,142
EXPENDITURES					
Current					
Community Contributions	81,031	1,486,131	263,764	1,222,367	466,160
Expert Professional Advice	310,125	347,625	276,375	71,250	1,475
General Administration	750	9,375	4,520	4,855	12
Total expenditures	391,906	1,843,131	544,659	1,298,472	467,647
Excess (deficiency) of revenues over (under) expenditures	590,707	(860,519)	608,961	1,469,480	574,495
OTHER FINANCING SOURCES (USES)					
Transfers out	(143,969)	(143,969)	(130,637)	13,332	(533,253)
Total other financing sources (uses)	(143,969)	(143,969)	(130,637)	13,332	(533,253)
Net change in fund balance	\$ 446,738	\$ (1,004,488)	478,324	\$ 1,482,812	41,242
Fund balance, January 1			10,121,378		10,177,039
Fund balance, September 30			<u>\$ 10,599,702</u>		<u>\$ 10,218,281</u>