

EDIC MEETING
Tuesday, November 22, 2022 – 1:00 p.m.
City Commission Chambers, Fargo City Hall

AGENDA

- 1. Approve Tax Exempt Review Committee Meeting Minutes of 7/26/2022**
 - a. July, 26 2022 [Page 1-2]
- 2. Packet Digital Property Tax Exemption Application [Page 3-14]**
- 3. North Dakota Opportunity Fund Consortium [Page 15-27]**

ECONOMIC AND DEVELOPMENT INCENTIVE COMMITTEE
Fargo, North Dakota

Regular Meeting

Tuesday, July 26, 2022

The July meeting of the Economic and Development Incentive Committee of the City of Fargo, North Dakota was held in the City Commission Room at City Hall at 1:00 p.m., Tuesday, July 26, 2022.

The committee members present or absent are:

Present: Dave Piepkorn, John Cosgriff, Jim Gilmour, Jackie Gapp, Jim Buus, Jon Eisert and Jessica Ebelling, Nicole Crutchfield, Matt (PFM).

Absent: Deb Mathern, Arlette Preston, Prakash Mathew, Michael Splonskowski, Steve Swiontek, Reid Middaugh, John Strand, Jessica Ebelling, Mayor Tim Mahoney, Levi Bachmeier, Bruce Grubb, Kent Costin, Erik Johnson, Joe Raso, Robert Wilson, Dean Brescani, Chad Peterson, and Nancy Morris.

Commissioner Piepkorn called the meeting to order at 1:00 p.m.

Minutes Approved

A motion was made by Jim Buus to approve the minutes from May 24, 2022. John Eisert seconded, motion carries.

Roosevelt Family Lofts PILOT Request

- Ryan Downs/ Roosevelt Family Lofts Apartments
- New policy for underutilized property in downtown
- 13 unit housing complex in Roosevelt neighborhood
- 10 year property tax exemption. 100% for the first 5 years. 50% for years 6-10.
- Zoned multi-family
- Target rent base is \$1775

Questions:

- Dave Piepkorn- Access? One driveway in and out. Is the adequate?
 - Ryan- Believes that this is adequate. There's isn't high density.
- Jim Buus- What kind of feedback was there from the neighborhood?

- Ryan – There's a Roosevelt neighborhood association and a discussion was had with them. They are look for more of the family feel.
- Nicole- The biggest feedback was appeal to family, appeal to the right away and open space.
- Mayor Mahoney- Was there a thought about condos instead of renting?
 - Ryan- They did but would be difficult to do on this site.
 - Jim Gilmour- Building to the east were tired to sell as condos but did not work out
- Dave Piepkorn- Are there going to be 2 bedroom or a mix?
 - Ryan- All 3 bedrooms 2 bath
- Jim Buss- How many parking spaces per unit?
 - Ryan- 2 parking spaces per unit.

- Matt from PFM gave a synopsis of his analysis

Motion to approve tax exemption was made by John Cosgriff. John Eisert seconded, motion carries.

North Dakota Opportunity Fund

- Provide low interest loans to business throughout the state. 30 communities participate.
- It was set up with federal money no longer federal requirements
- To apply they need permission from the city of Fargo. A letter of support.
- Daycares. Non-primary sector businesses
- Fargo's value in the fund in the is \$3 million range
- Low interest loans and buy downs

Questions:

- Jim Buus- How is the fund governed from a board perspective?
 - Jim Gilmour- Overall policy committee and a loan committee. Staffed through the Lewis and Clark Regional Council
- Jim Buus- Is there elected officials?
 - Jim Gilmour- Yes

No motion. Will take these to the Commission Meetings.

The meeting was adjourned at 1:23pm.

Application For Property Tax Incentives For New or Expanding Businesses

N.D.C.C. Chapter 40-57.1

Project Operator's Application To Fargo
City or County

File with the City Auditor for a project located within a city; County Auditor for locations outside of city limits.

A representative of each affected school district and township is included as a non-voting member in the negotiations and deliberation of this application.

This application is a public record

Identification Of Project Operator

1. Name of project operator of new or expanding business Packet Digital, LLC
2. Address of project 704 38th Street North
City Fargo County Cass
3. Mailing address of project operator 3241 University Drive South
City Fargo State ND Zip 58104
4. Type of ownership of project
☐ Partnership ☐ Subchapter S corporation ☐ Individual proprietorship
☐ Corporation ☐ Cooperative ☒ Limited liability company
5. Federal Identification No. or Social Security No. [REDACTED]
6. North Dakota Sales and Use Tax Permit No. [REDACTED]
7. If a corporation, specify the state and date of incorporation North Dakota
8. Name and title of individual to contact Terri Zimmerman, CEO
Mailing address 3241 University Drive So
City, State, Zip Fargo, ND 58104 Phone No. 701-365-4421

Project Operator's Application For Tax Incentives

9. Indicate the tax incentives applied for and terms. Be specific.
☒ **Property Tax Exemption** ☐ **Payments In Lieu of Taxes**
5 Number of years Beginning year Ending year
100 Percent of exemption Amount of annual payments (attach schedule if payments will vary)
10. Which of the following would better describe the project for which this application is being made:
☒ New business project ☐ Expansion of a existing business project

Description of Project Property

11. Legal description of project real property

~~Lot: 12 Block: 0 ARNDTS DEVENER PT OF LOTS 12 & 13 COMM AT THE SW CORN OF LOT 12 THEN ON AN ASSM'D B RG OF N 00DEG03'45"" W ALG THE W LN OF LOT 12 FOR 316.51' THEN S 88DEG40'51"" E 382.55' TO THE PT OF BEG. THEN CONT S 88DEG40'51"" E 310.08' THEN S 00 DEG00'00"" W 136.29' THEN N 90DEG00'00""~~

12. Will the project property be owned or leased by the project operator? ☐ Owned ☒ Leased

If the answer to 12 is leased, will the benefit of any incentive granted accrue to the project operator?

☒ Yes ☐ No

If the property will be leased, attach a copy of the lease or other agreement establishing the project operator's benefits.

13. Will the project be located in a new structure or an existing facility? ☐ New construction ☒ Existing facility

If existing facility, when was it constructed? 1994

If new construction, complete the following:

a. Estimated date of commencement of construction of the project covered by this application _____

b. Description of project to be constructed including size, type and quality of construction

c. Projected number of construction employees during the project construction _____

14. Approximate date of commencement of this project's operations January 5, 2023

15. Estimated market value of the property used for this project:

a. Land..... \$ 130,000

b. Existing buildings and structures for which an exemption is claimed..... \$ 872,400

c. Newly constructed buildings and structures when completed \$ _____

d. Total..... \$ 1,002,400

e. Machinery and equipment \$ _____

16. Estimate taxable valuation of the property eligible for exemption by multiplying the market values by 5 percent:

a. Land (not eligible) 

b. Eligible existing buildings and structures..... \$ 43,620

c. Newly constructed buildings and structures when completed..... \$ _____

d. Total taxable valuation of property eligible for exemption (Add lines b and c)..... \$ 43,620

e. Enter the consolidated mill rate for the appropriate taxing district 284.79

f. Annual amount of the tax exemption (Line d multiplied by line e) \$ 12,422.54

Description of Project Business

Note: "project" means a newly established business or the expansion portion of an existing business. Do not include any established part of an existing business.

17. Type of business to be engaged in: ☐ Ag processing ☒ Manufacturing ☐ Retailing
☐ Wholesaling ☐ Warehousing ☐ Services

18. Describe in detail the activities to be engaged in by the project operator, including a description of any products to be manufactured, produced, assembled or stored (attach additional sheets if necessary).

The location will be used for our growing business to launch project to design, build, assemble, and ship drone and space vehicle battery management systems and power management solutions for Lockheed Martin and the Air Force Research Lab's Space Mission Group, Anduril, Navy, Kraus Aerospace, Nav Air, Nav Sea, and Printed Aerospace

19. Indicate the type of machinery and equipment that will be installed

Shelving Units, ESD Chairs, Bar Code Readers, Welding Machines, Soldering Irons, Air Compressors, Air Dryer, Compressed Air Lines, Nibbler, Coat Sprayers, Torque drivers, WIP Carts, ESD Grounding Kit, Packaging Tables, Electronic Benches, Station Computers, ESD Flooring, HVAC, Humidity Control, Lighting, Electrical,

20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption.

	New/Expansion Project only Year 1	New/Expansion Project only Year 2	New/Expansion Project only Year 3	New/Expansion Project only Year 4	New/Expansion Project only Year 5
Year (12 mo. periods)					
Annual revenue	12,200,000	20,150,000	30,450,000	44,350,000	51,002,500
Annual expense	11,590,000	18,336,500	26,491,500	36,367,000	41,822,050
Net income	610,000	1,813,500	3,958,500	7,983,000	9,180,450

21. Projected number and salary of persons to be employed by the project for the first five years:

Current positions & positions added the initial year of project

# Current Positions	New Positions Under \$13.00	New Positions \$13.01-\$15.00	New Positions \$15.01-\$20.00	New Positions \$20.01-\$28.00	New Positions \$28.01-\$35.00	New Positions Over \$35.00
33	0	0	0	1	2	2

Year	(Before project)	Year 1	Year 2	Year 3	Year 4	Year 5
No. of Employees	(1) 31	36	44	55	66	70
	(2) 2	2	2	2	2	2
Estimated payroll	(1) 2644637	3062422	3704087	4594661	5550554	6064573
	(2) 80335	83549	86891	90366	93981	97740

(1) - full time
(2) - part time

Previous Business Activity

22. Is the project operator succeeding someone else in this or a similar business? ☐ Yes ☒ No
23. Has the project operator conducted this business at this or any other location either in or outside of the state?
☒ Yes ☐ No
24. Has the project operator or any officers of the project received any prior property tax incentives? ☒ Yes ☐ No
- If the answer to 22, 23, or 24 is yes, give details including locations, dates, and name of former business (attach additional sheets if necessary).
- ~~Packet Digital 3241 University Dr. S., Fargo, ND 58104 - June 1, 2021~~

Business Competition

25. Is any similar business being conducted by other operators in the municipality? ☐ Yes ☒ No
- If YES, give name and location of competing business or businesses
- Percentage of Gross Revenue Received Where Underlying Business Has ANY Local Competition %

Property Tax Liability Disclosure Statement

26. Does the project operator own real property in North Dakota which has delinquent property tax levied against it? ☐ Yes ☒ No
27. Does the project operator own a greater than 50% interest in a business that has delinquent property tax levied against any of its North Dakota real property? ☐ Yes ☒ No
- If the answer to 26 or 27 is Yes, list and explain

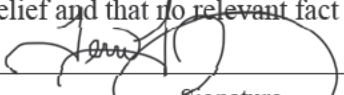
Use Only When Reapplying

28. The project operator is reapplying for property tax incentives for the following reason(s):
- ☐ To present additional facts or circumstances which were not presented at the time of the original application
 - ☐ To request continuation of the present property tax incentives because the project has:
 - ☐ moved to a new location
 - ☐ had a change in project operation or additional capital investment of more than twenty percent
 - ☐ had a change in project operators
 - ☐ To request an additional annual exemption for the year of _____ on structures owned by a governmental entity and leased to the project operator. (See N.D.C.C. § 40-57.1-04.1)

Notice to Competitors of Hearing

Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

I, Terri F. Zimmerman, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted.



Signature

CEO

Title

10/13/2022

Date

PRIVACY ACT NOTIFICATION

In compliance with the Privacy Act of 1974, disclosure of a social security number or Federal Employer Identification Number (FEIN) on this form is required under N.D.C.C. §§ 40-57.1-03, 40-57.1-07, and 57-01-15, and will be used for tax reporting, identification, and administration of North Dakota tax laws. Disclosure is mandatory. Failure to provide the social security number or FEIN may delay or prevent the processing of this form.

Certification of Governing Body (To be completed by the Auditor of the City or County)

The municipality shall, after granting any property tax incentives, certify the findings to the State Tax Commissioner and Director of Tax Equalization by submitting a copy of the project operator's application with the attachments. The governing body, on the _____ day of _____, 20____, granted the following:

☐ **Property Tax Exemption**

_____ Number of years

_____ Percent of exemption

☐ **Payments in lieu of taxes**

_____ Beginning year _____ Ending year

_____ Amount of annual payments (Attach schedule if payments will vary)

Auditor

Notice To Competitors Of Hearing On Application For Property Tax Incentives

Notice is hereby given that the Fargo City Commission
(City or county governing body)

of Fargo, North Dakota, will meet at _____
(City or county) (Time)

on _____ at _____ to consider the application of
(Date) (Location)

Packet Digital

3241 University Drive So, Fargo ND, 58104

(Project operator name and address)

for property tax relief on the project which the applicant will use in the operation of

Vehicle Battery Management Systems and Power Management Solutions for Drone and Space Vehicles

(Type of business)

at 704 38th Street North, Fargo, ND

(Address)

Lot: 12 Block: 0 ARNDTS-DEVENER PT OF LOTS 12 & 13 COMM AT THE SW CORN OF LOT 12

(Legal description)

Any competitor of that applicant may appear and be heard by the Fargo City Commission
(City or county governing body)

at the time and place designated herein. A competitor may provide written comments to the governing body before the scheduled hearing.

This notice is given by the above-named applicant pursuant to the provisions of North Dakota Century Code § 40-57.1-03

March 11, 2021

Brad Thurow
Packet Digital LLC
201 5th St N Ste 1500
Fargo, ND 58103

Dear Brad:

Thank you for your application for primary-sector certification by the North Dakota Department of Commerce, Economic Development & Finance Division. We have reviewed your application and determined that ED&F can certify your company, **Packet Digital LLC**, as primary sector and a new wealth creator in the economy of North Dakota. This certification is valid for **four years** from today's date (expires 3/10/2025).

Most of North Dakota's economic development programs, tools and incentives are targeted toward primary-sector clients. You may be requested to provide a copy of this primary-sector certification letter when you apply for certain economic development incentive and funding programs.

This certification does not guarantee the receipt of any North Dakota business incentive. For example, there are additional qualification criteria for the Seed Capital Investment and Agricultural Business Investment personal income tax credits, and it is critical that investments **NOT** be made prior to the business receiving certification for these two credits. If you are pursuing certification for investment tax credits and need to know the criteria required for qualification, contact Joe Cicha 701-328-7283.

This certification is not the application process for the North Dakota New Jobs Training Program administered by Job Service North Dakota. To apply for the North Dakota New Jobs Training Program, you must contact Job Service North Dakota for the required application forms. Application forms for other programs that require primary sector certification are available from the agency administering the program.

Also, companies and individuals pursuing the investment tax credit incentive are reminded there is a cap on available dollars. Please visit with the ND Office of the Tax Commissioner regarding the remaining balance for investment tax credits. The credits are available on a first-come-first-serve basis until the law-defined cap is met.

North Dakota appreciates your contribution to the citizens and economy of our state. If there is anything further we can do to assist your company, please contact us at 701-328-5300.

Sincerely,



Joshua Teigen, Director
Economic Development & Finance Division

Business Incentive Agreement

1. In fulfillment of the requirements of N.D.C.C. § 54-60.1-03, Grantor and Recipient enter into this Business Incentive Agreement.

Grantor

Name	City of Fargo
Address	225 4th Street North Fargo, ND 58102

Recipient

Name	Terri Zimmerman, CEO - Packet Digital - "TD Companies - Seventh Ave - Series 2"		
Address	3241 University Avenue, Fargo ND, 58102		
Contact Person	Terri Zimmerman	E-mail Address	Terri.zimmerman@packetdigital.com
Recipient Parent Company (If applicable)	Packet Digital		
Business Type (NAICS Code)	3342, 335999, 335911, 423690, 541330, 541715		
Location of Recipient Prior to Receiving Incentive (If different)	Fargo, ND		

2. Description of project.

Packet Digital is undergoing a major expansion of its manufacturing capabilities. The new facility will be purchased and significantly upgraded to add increased power, heating and cooling, insulation, lighting, exterior improvements, internal office space and lobby, Electro-Static Floor Covering and more to prepare for electronics manufacturing at the location.

3. Grantor(s) agrees to provide recipient with a business incentive described as follows:

3.a. Is this incentive tax increment financing? ☐ Yes ☐ No

If yes, describe the type of district:

4. The business incentive will be provided on _____.
This date is the benefit date.

5. The public purpose(s) of the business incentive are:

- | | |
|--|--|
| <input type="checkbox"/> Assisting community development | <input type="checkbox"/> Increase tax base |
| <input checked="" type="checkbox"/> Directly create employment opportunities | <input checked="" type="checkbox"/> Indirectly increase employment opportunities |
| <input type="checkbox"/> Job retention | <input type="checkbox"/> Other _____ |

6. Value of Business Incentive: \$ _____

7. Recipient currently employs 33 people, located in Fargo, ND.

8. In return for the business incentive, Recipient shall, within two years create: 13
Number of full-time equivalent jobs

<u>\$30.00</u>	+	<u>\$7.10</u>	=	<u>\$37.10</u>
Average hourly wage		Benefits per hour value		Average hourly compensation

9. The Recipient shall continue operations in the jurisdiction in which the business incentive was issued for five years or more after the benefit date.

10. Recipient shall file a recipient report with the Grantor, as described in N.D.C.C. § 54-60.1-05 annually on or before March 1st of each year for two years, beginning in 2007, following the benefit date or until the goals of paragraph 8 are met, whichever is later.

10.a. Grantor shall mail the recipient a warning letter if no report is received by March 8th. Recipient shall file the progress report within 14 days of the postmarked date of the warning letter.

10.b. If a recipient report is not received within 14 days of the warning letter, Recipient agrees to pay to Grantor a \$100 penalty for each subsequent day until the report is filed. The maximum penalty under this section may not exceed \$1,000.

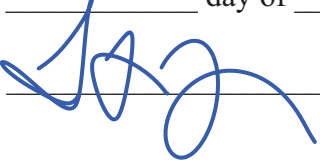
11. Recipient shall pay back the value of the incentive to the Grantor, prorated to reflect any partial fulfillment of the job and compensation goals, if, after two years, the job and compensation goals listed in paragraph 8 are not met.

- 11.a. Paragraph 11 does not apply if the job and compensation goals were not met as a result of an act of God or terrorism.
12. This business incentive agreement shall only be modified or extended by the Grantor pursuant to N.D.C.C. § 54-60.1-04.
13. If the terms of this business incentive agreement are not met, Recipient shall not receive a business incentive from any grantor for five years from the date of failure or until a recipient satisfies the repayment obligation.
14. The Recipient has disclosed, in attachment “A” of this agreement, all additional financial assistance received from state or political subdivision Grantors for this project since inception.
15. By signing this agreement, Recipient verifies that it has not failed to meet the terms of any business incentive agreement in the last five years.

Dated this _____ day of _____, 20____.

Grantor: _____ on behalf of _____

Dated this 18th day of October, 20 22.

Recipient:  on behalf of Packet Digital

Attachment “A”

Recipient has received the following additional financial assistance from state or political subdivision Grantors for this project since inception.

Grantor	Description of Assistance	
Value of Assistance	Benefit Date	Pending Benefit Date

Grantor	Description of Assistance	
Value of Assistance	Benefit Date	Pending Benefit Date

Grantor	Description of Assistance	
Value of Assistance	Benefit Date	Pending Benefit Date


Grantor	Description of Assistance	
Value of Assistance	Benefit Date	Pending Benefit Date

Grantor	Description of Assistance	
Value of Assistance	Benefit Date	Pending Benefit Date

Exemption Evaluation Calculator				123.0			138.8
Packet Digital				Points			Points
Project Type Code	Year 1	38	38.0	Year 3	38	38.0	
Current Number Of Employees		33			33		
Hourly Salary Without Benefits	# Jobs			# Jobs			
Under \$13.00							
\$13.01-\$15.00							
\$15.01-\$20.00							
\$20.01-\$28.00	1	Pts. For # Jobs->	10.0	4	Pts. For # Jobs->	25.0	
\$28.01-\$35.00	2	Pts. For \$ Jobs->	50.0	10	Pts. For \$ Jobs->	50.8	
Over \$35.00	2			10			
TOTAL # OF JOBS CREATED	5			24			
Primary Sector?		y			y		
% GI w/ Local Competition (not downtown)			25.0			25.0	
Value of Proposed Buildings	\$	43,620	0.0		\$	43,260	0.0
Downtown Location (Y/N)		N	0.0			N	0.0
Startup Firm (Y/N)		N	0.0			N	0.0
Has Const Started or Has Bldg Been Leased or Occupied If Existing (Y/N)		N	0.0			N	0.0
Number of Years (Exemption)		5				5	
Company Safety Experience Rating			0.0				0.0
RECOMMENDATION IS TO		APPROVE		APPROVE			
Description	Tech Research			Description	Tech Research		
Estimated New Annual Payroll	\$332,800			Estimated New Annual Payroll	\$1,614,080		
Estimated Annual Real Estate Tax	\$621			Estimated Annual Real Estate Tax	\$621		
Property Value / # of Jobs	\$	8,724		Property Value / # of Jobs	\$	1,803	
Total Value Of Benefit	\$	3,106		Total Value Of Benefit	\$	3,106	

MEMORANDUM

TO: Economic Development Incentive Committee

FROM: Jim Gilmour, Director of Strategic Planning and Research 

DATE: November 16, 2022

SUBJECT: Fargo Representative on ND Opportunity Fund Consortium

I am requesting that the Economic Development Incentives Committee recommend someone to serve as the Fargo representation on the ND Opportunity Fund Consortium.

John Machacek from the Greater Fargo Moorhead EDC has done an excellent job representing Fargo for the past 10 years. However, he has requested that Fargo appoint a new representative to this Consortium.

I attached the most recent semi-annual report for your information. The report provides background information on the organization, current programs and status of the fund.

If you are interested in serving as the Fargo representative and would like more information, please feel free to contact me prior to the meeting. My contact information is below.

Jim Gilmour
Phone: 701-241-1476
Email: JGilmour@FargoND.gov

October 2022

North Dakota Opportunity Fund Consortium Member,

As you know, the North Dakota Opportunity Fund originated as part of the Small Business Jobs Act of 2010, which created the State Small Business Credit Initiative. The SSBCI program was intended to leverage private financing to help small businesses and manufacturers attain loans and investments needed to expand and create jobs. A consortium of 38 municipalities led by the City of Mandan was allocated \$9,734,641.00 funding for operation of a loan participation program. The program began in September 2012. The consortium has operated the loan participation program under the name of the **North Dakota Opportunity Fund**.

The SSBCI is a one-time program of limited duration. The authorities and duties of the Secretary of Treasury to implement and administer the program terminated on September 27, 2017. The obligations of the Mandan Consortium as outlined in the terms of the Allocation Agreement between the Treasury and the Mandan Consortium expired on March 31, 2017.

Effective April 1, 2017, the “North Dakota Opportunity Fund” (hereafter referred to as “Opportunity Fund”) operates under the framework of policies and procedures established by the North Dakota Opportunity Fund Consortium Steering Committee (Steering Committee) with a goal of furthering economic development for the municipalities participating in the Consortium.

At its March 22, 2017 meeting, the Steering Committee determined that moving forward, Lewis and Clark Regional Development Council will:

Provide semi-annual financial statements to Municipalities.

- a. The reports will be for periods ending March 31 and September 30.
- b. The reports will be provided within 30 days of the period just ended.
- c. The reports will include the total amount of funds used for administrative costs, funds re-lent, the amount of program income generated, loan activity and status of existing loan portfolio and amount of charge-offs.

Herein is the semi-annual report for the period of October 1, 2021 through September 30, 2022

NDOF Collateral Support and Guarantee Program:

At its December 14, 2021 Meeting, based on survey results, the NDOF Steering Committee directed staff to research further implementing a Collateral Support and a Loan Guarantee Program as additional tools for financing options available to Lenders and Businesses in the NDOF Consortium.

Collateral Support: Staff has developed programs for the Collateral Support modeled after the State of Idaho Collateral Support Program and has held discussions with Bank of North Dakota, Commercial Lenders, NDOF Executive Committee and NDOF Loan Committee. NDOF Steering Committee approved the Collateral Support Program at its May 11, 2022 meeting. As of September 30, there have been 2 projects that have been authorized for collateral support in Williston and Hazen respectively totaling \$84,000. Subsequently, a \$29,000 collateral support deal was closed for a project in Williston October 11, 2022.

Guarantee Program: Staff has discussed with BND, USDA and SBA the various guarantee programs. Staff has also presented to NDOF Loan Committee and Steering Committee. There may be a niche available for the NDOF Guarantee program but as of this writing, priority is to pursue the Collateral Support and visit the Guaranty Program at a later time.

NDOF Disaster Assistance Loan Program in review:

With the onset of the economic devastation as a result of the Corona virus pandemic in February and March 2020, the NDOF Steering Committee on March 26, 2020 directed that \$2 million of Available NDOF Funds be made available for the NDOF Disaster Assistance Loan Program.

Looking back, NDOF Disaster Working Capital loans were made to seven businesses totaling \$250,837 in six communities including: A restaurant and two automobile service businesses in Bismarck; A manufacturing business in Fargo; A hair salon in Linton; A dance studio in Dickinson; A restaurant in Watford City

Three of the businesses have since paid their loans in full. Another business has paid down the loan substantially while the remaining businesses have extended the loans under the terms of the Loan Agreements.

At its December 2020 meeting the NDOF Steering Committee directed that the NDOF Disaster Loan Assistance Program continue so it is available to provide some security in these uncertain times.

NDOF Loan Activity	Cumulative 09/31/2012 Thru 03/31/2022	04/01/2022 Thru 09/30/2022	Cumulative 09/31/2012 Thru 09/30/2022
Total Loan Funds disbursed	\$ 29,909,181.64	\$ 3,947,573.06	\$ 33,856,754.70
Committed Funds during current / prior period and undisbursed at the end of the period			1,051,123.76
	\$ 29,909,181.64		\$ 34,907,878.46

As shown above, the North Dakota Opportunity Fund has disbursed over \$29.9 million in loan proceeds since September 30, 2012. Including obligated funds, the NDOF has \$34.8 million in disbursements and obligations through September 30, 2022.

Funds totaling \$1,051,124 are obligated with disbursement pending for eleven different businesses in seven communities for the 6-month period ending September 30, 2022 including:			
Business	Community	Industry	Assistance
Cobra Components	West Fargo	Truss Manufacturer	LMFPBD
Green Foods 2 Go, Inc.	Bismarck	Food Vending	LMFPBD
Perry Center	West Fargo	Day Care	LMFPBD
DK Orthodontics	Bismarck	Dental / Orthodontics	LMFPBD
Old 10 Restaurant	Bismarck	Restaurant	LMFPBD
Pharmamed	Fargo		LMFPBD
Country Inn & Suites	Bismarck	Hotel	Interim SBA504
360 Nutrition	Williston	Ready - To - Eat Meals	Collateral Support
Surge Aesthetics	Hazen	Aesthetics Spa	Collateral Support
Baker Consulting	Watford City (Mandaree)	Oil Field Services	LMFPBD
Vetter Holdings	Fargo	Dental	LMFPBD

Thirty-one loans totaling \$3,947,573 have been closed and funded for twenty-seven different businesses in eleven communities from October 1, 2021 - September 30, 2022			
Business	Community	Industry	Assistance
In the Potters Hand	Crosby	Retail & Internet Sales	RE Purchase
Playworks Individual & Family Therapy	Williston	Therapy	RE Purchase
Xiphos Technical Services (2)	Williston	Oil Field Service	RE Purchase / LMFPBD
Three Forks Supply (2)	Williston	Oil Field Service	Inventory & Equipment
Mandan Subaru	Mandan	Auto Retail	LMFPBD
Rocks & Blocks	Bismarck	Landscaping	Equipment / Refi
3D Logistics	Minot	Trucking	Equipment Purchase
E&A Brothers Body Shop	Williston	Auto Body Shop	Interim SBA504
Oech Foods	Beach	Grocery Store	LMFPBD
Fair Repair & Service (2)	Killdeer	Auto Repair Shop	RE & Equipment Purchase
Midnight Solutions	Casselton	computer services & internet	RE Purchase
Envision Pools & Outdoor Living (2)	Bismarck	Recreation Supplies	WC, Equip & Vehicle Purchase
Northwest Therapy Services	Williston	Speech Therapy	SBA504 Interim
Split Rock ND LLC	Williston	Oil Field Cosntruction	RE Purchase
Wiedmer Brothers Well Service	Williston (Ray)	Oil Field Service	Equipment Purchase
Fisher Orthodontics, PLLC	Williston	Orthodontics	RE & Equipment Purchase
CoSchedule, LLC	Fargo	Internet Marketing	RE Purchase
Dakota Ink LLC	Williston	Digital Printing	RE Purchase
Dakota Transfer, LLC	Williston (Ray)	Oilfield Services	Equipment Purchase
Everything Safety	Williston	Safety Retail	RE Purchase
Inspiration Station, LLC	Dickinson	Day Care	RE Purchase / Renovation
GD Energy, LLC	Williston	Oil Field Service	LMFPBD
3 Forks Services	Williston	Construction Contracting	RE Purchase / LMFPBD
Creative Elements	Williston	Hair, Esthetics, Spa	RE Purchase
Kramer Chevrolet	Mandan	Auto Retail	LMFPBD
Dakota Concepts	Bismarck	Surface Paving	LMFPBD
E&A Brothers Body Shop	Williston	Auto Body Shop	Equipment
total loans closed and funded for the period =		\$ 3,947,573.06	

Notable to the above table, SBA504 Interim Financing loans was made to two businesses totaling \$376,910 in one community. Seven loans for Local Community Match for BND Flex PACE Buydown totaling \$376,551 were made to seven different businesses in four communities.

Loans to twelve businesses in six communities were made for long-term real estate totaling \$1,466,000. Loans to nine businesses in six communities were made for equipment or working capital totaling \$1,727,900.

- As of September 30, 2022 There is currently over \$2.5 million available to lend to businesses in the NDOF Consortium Communities. However, as shown above there are approximately \$1,051,124 in obligated funds leaving approximately \$1.4 million in unobligated funds available for relending for the period ending September 30, 2022.
- The total NDOF loans that have been paid in full is \$21.7 million (original balance) as of the period ending September 30, 2022.
- One hundred eighteen businesses have received or have obligated NDOF loans in twenty NDOF Communities including Beach, Beulah, Bismarck, Bowman, Casselton, Crosby, Dickinson, Fargo, Garrison, Killdeer, Linton, Mandan, McClusky, Minot, Mott, Steele, Turtle Lake, Watford City, West Fargo, Williston. With the endorsement of an NDOF Consortium Community, businesses in the following seven ND communities have also received NDOF Loan funding: Burlington, Davenport, Cartwright, Heil, Mandaree, Mapleton, New Town and Ray.

As of September 30, 2022, Outstanding Loans Receivable is: \$7,395,258 of which the case mix is approximately 38 % SBA504 interim; 26% Real Estate; 28% working Capital / Equipment; 4% Local Match Flex PACE.

There were nineteen NDOF Loan Committee Meetings; two NDOF Executive Committee Meeting and two NDOF Steering Committee Meetings held in the 12 months from October 1, 2021 through September 30, 2022.

Loan losses and collections:

- Prior to October 1, 2019, one business (Shri Properties – Bismarck) in the North Dakota Opportunity Fund has been charged off in the amount of \$475,268.53
- The Steering committee, at its December 5, 2019 approved a \$527,875.22 charge off of Ryan Heller and Ryan's Found-It-Now of Watford City.
- The Steering Committee, at its December 9, 2020 approved a \$146,636 charge off of Prairie Roots Food Cooperative.
- The Steering Committee, at its December 14, 2021 meeting approved an annual charge off of \$27,000 through 2035 of Mike Cooper debt related to MKS. Cooper will still be required to pay \$54,000 to NDOF but the (potential) tax implications of a gradual charge off of \$27,000 per year over 14 years \$375,217 as opposed to a final charge off of \$375,217 at the end of the agreement may be more palatable for him.
- The Steering Committee, at its December 14, 2021 meeting approved the charge off of \$200,842.16 Lucky Ducks, LLC.

- Total Charge offs as of September 30, 2022 are at \$1,377,621.91
- You will note on the balance sheet "Allowance for Loan Losses" of \$807,772 this reflects the estimated loss of the loans in liquidation and is subject to change. Below is a breakdown of the risk ratings:

\$	400,397.32	Loss
\$	287,799.10	Doubtful
\$	509,775.86	Substandard
\$	735,476.41	Watch
\$	5,329,392.69	Pass
\$	112,300.40	Minimal Risk
\$	18,606.60	Risk Free
\$	7,395,257.71	
\$	(807,772.00)	
\$	6,587,485.71	

The (Unaudited) Balance Sheets for the North Dakota Opportunity Fund as of September 30, 2022 and September 2021 is below:

	900 - NDOF-SSBCI	
	Sep 30, 22	Sep 30, 21
ASSETS		
Current Assets		
Checking/Savings		
1010 · Capital Funds Checking-Arn Bank	20.00	20.00
1020 · Savings - Loan Funds		
1029 · NDOF Arn Bank Center	2,505,702.65	2,234,067.80
Total 1020 · Savings - Loan Funds	2,505,702.65	2,234,067.80
Total Checking/Savings	2,505,722.65	2,234,087.80
Other Current Assets		
1120 · Interest Receivable	59,497.82	110,631.91
1160 · Due from Other Funds	0.00	20.00
Total Other Current Assets	59,497.82	110,651.91
Total Current Assets	2,565,220.47	2,344,739.71
Other Assets		
1509 · Loans Receivable-NDOF	7,395,258.03	7,714,339.19
1513 · Allowance for Loan Losses	-807,772.01	-955,614.17
Total Other Assets	6,587,486.02	6,758,725.02
TOTAL ASSETS	9,152,706.49	9,103,464.73
LIABILITIES & EQUITY		
Liabilities		
Long Term Liabilities		
2920 · Payable to SSBCI Consortium	8,237,435.84	8,193,118.26
Total Long Term Liabilities	8,237,435.84	8,193,118.26
Total Liabilities	8,237,435.84	8,193,118.26
Equity		
3000 · Unrestricted Net Assets	910,346.47	897,399.25
Net Income	4,924.18	12,947.22
Total Equity	915,270.65	910,346.47
TOTAL LIABILITIES & EQUITY	9,152,706.49	9,103,464.73

The (Unaudited) North Dakota Opportunity Fund Income Statements for the six months ended September 30, 2022 and September 30, 2021 is below:

	<u>Oct '21 - Sep 22</u>	<u>Oct '20 - Sep 21</u>
Income		
4030 · Earned Income		
4100 · Interest Income - Bank	11,808.43	38,491.34
4110 · Interest Income - Loans	282,186.71	288,013.02
4200 · Fees Income	29,194.87	28,000.74
4300 · SSBCI Consortium Adjustment	-44,317.58	-193,314.97
Total 4030 · Earned Income	<u>278,872.43</u>	<u>161,190.13</u>
Total Income	<u>278,872.43</u>	<u>161,190.13</u>
Gross Profit	<u>278,872.43</u>	<u>161,190.13</u>
Expense		
5650 · Dues	15,000.00	15,000.00
6100 · Bad Debts Expense	80,000.00	0.00
8000 · Transfer Out	<u>178,948.25</u>	<u>133,242.91</u>
Total Expense	<u>273,948.25</u>	<u>148,242.91</u>
Net Income	<u><u>4,924.18</u></u>	<u><u>12,947.22</u></u>

For the 12 months ending September 30, 2022, total Income for the NDOF fund was \$278,872.43 compared to \$161,190.13 for the same period ending September 30, 2021. Interest Income – Loans fell to \$282,186.71 in 2022 compared to \$288,013.02 for the twelve-month period ending September 30, 2022. SSBCI Consortium Adjustment of \$-\$44,317.58 compared to -\$193,314.97 is the increase in the allowance is split 90% fund and 10% LCRDC. Total expenses were \$273,948.25 for a Net Income of \$4,924.18 compared to a net income of \$12,947.22 for the twelve months ending September 30, 2021.

Dues of \$15,000.00 was the contribution as directed by the Steering Committee to ND Small Business Development Centers for 2022 and 2021 Operating Needs of the Centers. Transfer Out of \$178,948.25 September 30, 2022 compared to \$133,242.91 for the period ending September 30, 2021 was paid to Lewis and Clark Regional Development Council in accordance with the Contract for Administrative Services.

The (Unaudited) Lewis and Clark Regional Development Council Profit and Loss statements involving administration of the NDOF for the years ended September 30, 2022 and September 30, 2021 are below:

	<u>Oct '21 - Sep 22</u>	<u>Oct '20 - Sep 21</u>
Income		
4030 · Earned Income		
4200 · Fees Income	0.00	3,943.00
Total 4030 · Earned Income	0.00	3,943.00
4900 · Transfer In	177,088.25	133,242.91
Total Income	<u>177,088.25</u>	<u>137,185.91</u>
Gross Profit	177,088.25	137,185.91
Expense		
5000 · Salaries	84,675.66	81,123.84
5050 · Fringe Benefits	18,791.90	17,477.94
5100 · Travel		
5102 · Travel - Marketing	717.50	378.00
5103 · Travel - Lending	196.87	210.36
5104 · Travel - General	209.96	164.65
Total 5100 · Travel	<u>1,124.33</u>	<u>753.01</u>
5350 · Marketing		
5351 · Marketing - Printing	1,175.00	0.00
5352 · Marketing - Promotional Items	1,662.97	1,637.57
5353 · Marketing - Booth Rental	2,914.37	3,429.55
5354 · Marketing - Advertising	1,197.97	1,622.73
Total 5350 · Marketing	<u>6,950.31</u>	<u>6,689.85</u>
5400 · Processing, Closing Fees	40.00	0.00
5550 · Postage	0.00	15.10
5700 · Equipment		
5703 · Software Maintenance Fees	3,844.72	2,253.69
Total 5700 · Equipment	<u>3,844.72</u>	<u>2,253.69</u>
5800 · Professional Fees		
5801 · Legal & Accounting	8,644.21	3,032.40
Total 5800 · Professional Fees	<u>8,644.21</u>	<u>3,032.40</u>
6000 · Indirect	28,954.57	41,905.40
Total Expense	<u>153,025.70</u>	<u>153,251.23</u>
Net Income	<u><u>24,062.55</u></u>	<u><u>-16,065.32</u></u>

For the periods ending September 30, 2022 and September 30 2021, Total Income for Lewis and Clark administering the NDOF fund was \$177,088.25 and \$137,185.91. Total expenses were \$153,025.70 and \$153,251.23 for a Net Income of \$24,062.55 and -16,065.32.

In accordance with the **Contract for Administrative Services**, Exhibit B
COMPENSATION SUBSEQUENT SSBCI AWARD PERIOD, upon close out of the
SSBCI Award, the Council shall be compensated as follows: Council shall retain all
origination fees and administration fees paid by borrower; Council shall retain all late
fees incurred and paid by borrower; Council shall retain 50% of interest paid by
borrowers.

In the event of a liquidation of the NDOF Consortium Fund, the disbursement of the total
assets of the fund is illustrated on the attached **Current Consortium Value**.

LCD Group Staff outreach and marketing activities that included North Dakota
Opportunity Fund for October 1, 2021– August 31, 2022 included:

FY 2022 Market Contacts and Outreach Efforts

- **October 4, 2021** – ND Association of Counties Conference in Bismarck
- **October 12 - 14** – North Dakota Main Street and EDND conference in West Fargo
- **Regional Council Town Hall Meetings:**
 - Beulah – Wednesday, October 20 at 9:00 AM (CDT) **Beulah Civic Center**
 - Wing – Wednesday, October 20 at 1:00 PM (CDT) **Wing Theater**
- **October 20, 2021** Matt gave a program presentation via Zoom to approximately 30 members of the **Beach Business Community** in conjunction with John Diem at Dickinson Small Business Development Center
- **Regional Council Town Hall Meetings:**
 - Elgin – Thursday, October 21 at 1:00 PM (MDT) **Community Center**
 - Linton – Wednesday, October 27 at 10:00 AM (CDT) **Linton Community Center**
 - Steele – Wednesday, October 27 at 1:00 PM (CDT) **Steele Community Center**
 - Washburn – Thursday, November 4 at 7:00 PM (CDT) **Lewis & Clark Interpretive Center**
- **11/03/2021** – Derrick met with John Diem from SBDC Dickinson, Greg Elwein from Gate City Bank, and Killdeer Economic Development Director Carie Boster in Manning, ND on a proposed project to be located in Killdeer.

- **12/06/2021** – Matt, Brent, Derrick and Ashley conducted a Hybrid Zoom informational meeting with **Bravera Bank** Commercial Lending Staff at its **Bismarck** location and with commercial staff located in **McClusky** and **Underwood** linked in virtually. Approximately 15 Bravera employees were in attendance.
- **01/27/2022** - Matt, Brent, Derrick and Ashley conducted a Hybrid Zoom informational meeting with **1st International Bank** Commercial Lending Staff at its **Bismarck** location and with commercial staff located in **Minot** linked in virtually. Seven 1st International employees were in attendance.
- **02/03/2022** – Matt & Brent presented via TEAMS to 5 tribal entities in the State of Michigan on our experiences with SSBCI 1.0. These Tribes are considering a consortium for applying to Treasury for SSBCI 2.0 Funding
- **02/15/2022** – Matt & Ashley attended Stark County EDC Annual Meeting luncheon in Dickinson
- **03/07/2022** – Matt Ashley & Brent met with Gate City Bank at Johnny Carino's in Bismarck: Nancy Huber; Greg Ellwein; Brett Wike; and two other lending staff. Discussed LCD Group Programs.
- **03/08/2022** – Matt, Ashley & Derrick met with Cornerstone Bank: Derrick Weigel, Steve Wangler, Kristine ... and Curt Skaley to discuss the LCD Group Programs and partnering with them on project.
- **03/09/2022** - Matt, Ashley & Derrick met with BNC National Bank in Bismarck: Ten staff from the commercial lending staff were present to discuss the LCD Group Programs and partnering with them on projects.
- **03/14/2022** – Matt, Ashley & Derrick met with Karla Borlaug and Leann Steidl of Union State Bank at their bank in Hazen. Discussed LCD Group Programs and partnering with them on projects.
- **03/17/2022** – Matt and Brent met with Standing Rock Sioux Tribe / Caneska Community College representatives Mike McAferty and Irv Knuth. Discussed L&C partnering with the Tribe on SSBCI Native American Projects on the Standing Rock Reservation.
- **03/23 & 24/2022** – Matt, Derrick, Ashley and Lisa Met with the following lenders in Fargo: Starion; Boarder; Town & Country Credit Union; First International Bank; First Western Bank; Bank Forward as well as Bank North in

Casselton. Discussed the various programs available with LCD Group, in particular NDOF, SBA504 and CWND Housing.

- **04/05/2022** – Matt, Brent, Derrick & Ashley had lunch with Security First Bank of ND staff Jeff Erickson, Cary Anderson, Todd Nyrohr and to discuss various programs – NDOF Collateral Support; SBA504; CWND Multifamily.
- **04/19/2022** – Matt participated in Bank of North Dakota's BND Direct Line Video Conference discussed the North Dakota Opportunity Fund. 124 attendees were shown to be in on the conference.
- **04/21/2022** – Matt, Brent and Ashley had lunch with Richard Bauer, newest LCRDC Board Member at the McClusky Bar & Grill in McClusky. Discussed our mission & programs.
- **05/03/2022** – Matt, Ashley & Derrick met with Dana Pederson and Jonathan Leonard of 1st International Bank in Mandan, recently opened & explained programs & potential for partnering on projects.
- **06/09/2022** – Matt participated in Security First Bank of ND Customer Appreciation Golf Scramble.
- **06/13/2022** – Matt and Lyle participated in BisMan Chamber Golf Scramble.
- **06/15/2022** – Matt presented to City of McClusky Lewis & Clark Programs. 9 individuals were present and the presentation was video on McClusky's Facebook page.
- **06/21 – 23/2022** – Matt, Derrick, Lyle and Ashley attend the EDND Summer Conference in Beulah. Ashley presented a grant writing presentation.
- **07/22/2022** – Consortium – wide news release on the NDOF Collateral Support Program. It went out to all media in the NDOF consortium, along with Prairie Public News.
- **08/08-08/09/2022** – Staff attended Independent Community Bankers of ND Convention in Bismarck

More NDOF news information is available at: <https://lcdgroup.org/category/north-dakota-opportunity-fund/>

We are always exploring opportunities to get the word out and would greatly appreciate visiting with your community or organization to give a presentation on the opportunities available with the North Dakota Opportunity Fund.

Please contact me at 701-667-7601 or by email at matt@lcdgroup.org if you have any questions or comments on this report.

Sincerely,

Matt Burthold
Commercial Lending Director

September 30, 2022

Original Allocation		Allocation	\$9,778,671.00		
Administration			\$239,049.00		
LCRDC Liquidation value			\$977,867.10		
Net Allocated by population			\$8,561,754.90		
Current Consortium Value			\$	8,964,430.65	
Formula: Total Gross Assets - LCRDC Liquidation Fee \$9,960,478.50 - \$996,047.85 = \$8,964,430.65					
Municipality	Population	% Total	Original Allocation	Gain/Loss on performance	Potential Share
1 Almont city	122	0.0385%	\$ 3,294.27	\$ 154.94	\$3,449.21
2 Beach city	1,019	0.3214%	\$ 27,515.26	\$ 1,294.10	\$28,809.35
3 Beulah city	3,121	0.9843%	\$ 84,273.92	\$ 3,963.56	\$88,237.48
4 Bismarck city	61,272	19.3241%	\$ 1,654,479.83	\$ 77,813.36	\$1,732,293.19
5 Bowman city	1650	0.5204%	\$ 44,553.66	\$ 2,095.44	\$46,649.10
6 Carson city	293	0.0924%	\$ 7,911.65	\$ 372.10	\$8,283.75
7 Casselton city	2,329	0.7345%	\$ 62,888.16	\$ 2,957.75	\$65,845.91
8 Crosby city	1,070	0.3375%	\$ 28,892.37	\$ 1,358.86	\$30,251.24
9 Dickinson city	17,787	5.6097%	\$ 480,288.43	\$ 22,588.89	\$502,877.32
10 Dodge city	87	0.0274%	\$ 2,349.19	\$ 110.49	\$2,459.68
11 Dunn Center city	146	0.0460%	\$ 3,942.32	\$ 185.42	\$4,127.74
12 Fargo city	105,549	33.2882%	\$ 2,850,056.98	\$ 134,043.64	\$2,984,100.63
13 Garrison	1,453	0.4582%	\$ 39,234.22	\$ 1,845.26	\$41,079.48
14 Glen Ullin city	807	0.2545%	\$ 21,790.79	\$ 1,024.86	\$22,815.65
15 Halliday city	188	0.0593%	\$ 5,076.42	\$ 238.75	\$5,315.17
16 Hazelton city	235	0.0741%	\$ 6,345.52	\$ 298.44	\$6,643.96
17 Hazen city	2411	0.7604%	\$ 65,102.34	\$ 3,061.89	\$68,164.23
18 Hebron city	747	0.2356%	\$ 20,170.66	\$ 948.66	\$21,119.32
19 Hettinger city	1226	0.3867%	\$ 33,104.72	\$ 1,556.98	\$34,661.70
20 Killdeer city	751	0.2369%	\$ 20,278.66	\$ 953.74	\$21,232.41
21 Lincoln	2,406	0.7588%	\$ 64,967.33	\$ 3,055.54	\$68,022.87
22 Linton city	1,097	0.3460%	\$ 29,621.43	\$ 1,393.15	\$31,014.58
23 Mandan city	18331	5.7813%	\$ 494,977.64	\$ 23,279.75	\$518,257.38
24 McClusky city	380	0.1198%	\$ 10,260.84	\$ 482.59	\$10,743.43
25 Minot city	40888	12.8953%	\$ 1,104,066.64	\$ 51,926.37	\$1,155,993.01
26 Mott city	721	0.2274%	\$ 19,468.60	\$ 915.65	\$20,384.24
27 New England city	600	0.1892%	\$ 16,201.33	\$ 761.98	\$16,963.31
28 New Salem city	946	0.2984%	\$ 25,544.10	\$ 1,201.39	\$26,745.48
29 Regent city	160	0.0505%	\$ 4,320.35	\$ 203.19	\$4,523.55
30 Sentinel Butte city	56	0.0177%	\$ 1,512.12	\$ 71.12	\$1,583.24
31 Standing Rock Sioux Tribe	4153	1.3098%	\$ 112,140.21	\$ 5,274.17	\$117,414.38
32 Steele city	715	0.2255%	\$ 19,306.59	\$ 908.03	\$20,214.61
33 Turtle Lake city	581	0.1832%	\$ 15,688.29	\$ 737.85	\$16,426.14
34 Underwood city	778	0.2454%	\$ 21,007.72	\$ 988.03	\$21,995.76
35 Watford City city	1,744	0.5500%	\$ 47,091.87	\$ 2,214.82	\$49,306.69
36 West Fargo city	25,830	8.1463%	\$ 697,467.26	\$ 32,803.22	\$730,270.48
37 Williston city	14716	4.6412%	\$ 397,364.62	\$ 18,688.82	\$416,053.44
38 Wilton city	711	0.2242%	\$ 19,198.58	\$ 902.95	\$20,101.52
TOTAL	\$ 317,076.00		\$ 8,561,754.90	\$ 402,675.75	\$ 8,964,430.65