



Forecasted Financial Statements  
Years Ending December 31, 2024, 2025, 2026, 2027, and 2028

**Bison World**

**A Legendary Experience**

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To the Board and Management  
Jamestown/Stutsman Development Corporation  
Jamestown, North Dakota

Management is responsible for the accompanying financial forecast of the proposed operations of the Bison World theme park, which comprises the forecasted income statement – cash basis for the years December 31, 2024 through 2028, and the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the financial forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this financial forecast.

The forecasted results may not be achieved as there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

Management has elected to omit the presentation of forecasted balance sheets and cash flows required by the guidelines for presentation of a financial forecast established by the AICPA. If the omitted disclosures were included in the forecasted financial information, they might influence the user's conclusions about Bison World's forecasted income statement – cash basis. Accordingly, this forecast is not designed for those who are not informed about such matters.

The accompanying supplementary information included on pages 14 – 19 is presented for purposes of additional analysis and is not a required part of the forecast. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Fargo, North Dakota  
August 20, 2021

## Bison World

### Forecasted Income Statement – Cash Basis Years Ending December 31, 2024, 2025, 2026, 2027, and 2028

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
<b>Revenues</b>					
Entrance tickets	\$ 4,356,000	\$ 4,677,000	\$ 5,248,000	\$ 5,633,000	\$ 6,319,000
Musical show	3,906,000	4,470,000	5,082,000	5,179,000	5,324,000
Food and beverage	1,665,000	1,841,000	2,025,000	2,240,000	2,465,000
Merchandise	<u>1,332,000</u>	<u>1,472,000</u>	<u>1,620,000</u>	<u>1,793,000</u>	<u>1,972,000</u>
Total revenues	<u>11,259,000</u>	<u>12,460,000</u>	<u>13,975,000</u>	<u>14,845,000</u>	<u>16,080,000</u>
<b>Expenses</b>					
Salaries and benefits	3,603,000	3,987,000	4,472,000	4,750,000	4,985,000
Cost of goods sold	1,172,000	1,295,000	1,426,000	1,577,000	1,735,000
Marketing	1,013,000	935,000	978,000	1,039,000	1,126,000
Contracted services	901,000	935,000	978,000	1,009,000	1,045,000
Utilities	676,000	748,000	839,000	891,000	965,000
Repairs and maintenance	338,000	498,000	699,000	742,000	804,000
Supplies	338,000	374,000	419,000	445,000	482,000
Insurance	338,000	374,000	419,000	445,000	482,000
Other	<u>563,000</u>	<u>623,000</u>	<u>699,000</u>	<u>742,000</u>	<u>804,000</u>
Total expenses	<u>8,942,000</u>	<u>9,769,000</u>	<u>10,929,000</u>	<u>11,640,000</u>	<u>12,428,000</u>
Net Income	2,317,000	2,691,000	3,046,000	3,205,000	3,652,000
Cash and Investments, Beginning of Year	<u>-</u>	<u>2,317,000</u>	<u>5,008,000</u>	<u>8,054,000</u>	<u>11,259,000</u>
Cash and Investments, End of Year	<u>\$ 2,317,000</u>	<u>\$ 5,008,000</u>	<u>\$ 8,054,000</u>	<u>\$ 11,259,000</u>	<u>\$ 14,911,000</u>

### **Note 1 - Nature and Limitations of Financial Forecast**

This financial forecast presents, to the best of management's knowledge and belief, the proposed project's expected results of operations for the forecasted periods of the Bison World theme park in Jamestown, North Dakota. Accordingly, the forecast reflects managements' judgment, based on present circumstances, of the expected conditions and its expected course of action.

The presentation is designed to provide information to management of the Jamestown/Stutsman Development Corporation and potential investors concerning the operations of Bison World and cannot be considered a presentation of expected future results. Accordingly, the forecast may not be useful for other purposes.

The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material.

Management does not intend to revise the forecast to reflect changes in present circumstances or the future occurrence of unanticipated events.

### **Note 2 - Principal Activity and Summary of Significant Accounting Policies**

#### **Principal Business Activity**

Bison World is a proposed cultural themed entertainment complex in Jamestown, North Dakota. It will celebrate the spirit, people, and culture of North Dakota by:

- Providing unexpected and extraordinary presentations, exhibits, and rides that will give guests entertaining and educational experiences not currently found in North Dakota.
- Serving as a "tourism gateway" to promote all other tourism attractions in the state.
- Exemplifying the wonderful family-oriented spirit of the people of the West both to guests as well as employees and those entities Bison World becomes aligned with.
- Linking the financial success with stakeholders so that this tourist attraction demonstrates good neighborliness, and conservative fiscal policies.

#### **Basis of Presentation**

The forecast is presented on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

#### **Revenue Recognition**

Under the cash basis of accounting revenues are recognized only when Bison World receives cash, and expenses are recognized only when Bison World disburses cash.

**Cash**

Cash includes cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Investments**

Investments are stated at fair value.

**Reinvestment Reserve**

For the forecasted period management intends to set aside a portion of annual revenues into a reinvestment reserve, to be used in future years to make new capital investments in rides and shows.

**Note 3 - Forecasted Project Plan**

Management engaged Apogee Attractions LLC to perform a Market and Financial Assessment on Bison World and a preliminary report was issued on October 1, 2020. Initial concept planning has the proposed 30-acre site on State of North Dakota land adjacent to Jamestown. The site is highly desirable because of its low acquisition and development cost and its visibility from Interstate 94. The proposed site location map is below.



Management's preliminary conceptual design can be seen below.



© 2020 Concept by Apogee Attractions LLC

It is estimated that the cost to construct Bison World will be approximately \$72.5 million, to be financed with an investment from North Dakota's sovereign wealth fund (the Legacy Fund). Investments from the Legacy Fund can now be made in North Dakota projects under a new state statute (H.R. 1425) recently signed into law by Governor Burgum.

Management's current thoughts for attractions, exhibits, collections, and support facilities are as follows.

#### **North American Bison Discovery Center (NABDC)**

The mission of the NABDC is to promote Bison conservation and the positive role of Bison ranching. This will be achieved through collections, exhibits, a Bison Safari tour, a short film with enhanced viewing environment, and a second media experience such as Imax, 4D film, 360-degree film, virtual Bison experience, or a slide/multimedia preshow which opens into the museum after the pre-show. There are also plans for a retail store at the exit, a café with catering ability, 100-seat theatre, and a viewing area to accommodate 25-50 people.

### **Buffalo City Amphitheatre**

The proposed Amphitheatre will have up to 1,500 seats to host for example star talent, Western music, a Western musical-themed show, and smaller 1-3 person shows.

### **Dakota Thunder Monument**

The existing monument will be repaired, restored, and repainted. There will be a roundtrip tramway ride from the NABDC to the monument. There will be restrooms, water fountains and access to the current Frontier Village attraction.

### **Dakota Corral**

This will be promoted as the children's zone with attractions and elements such as a low ropes course, zip line and various play structures. Characters such as Buster Bison and Becky Bison will greet guests in the Corral and throughout the facility. There is also a planned carousel with a bison/western theme. Three tethered balloon flights are also being proposed as well.

### **The Dakota Lands (in future phase)**

This future attraction will highlight the "story of North Dakota" including its tribal history along with its farming, ranching and energy industries. It may also feature the growing U.A.S or "drone" industry in the state.

### **Bison Mall**

The west side of the mall will be open to the public before purchasing admission to the theme park. This will be the location of the primary retail outlets near the park's entrance/exit. Concepts such as the Buffalo Wool Company and Bison Union Coffee have been discussed. The south end of the mall will house the Jamestown Visitor Center and the proposed "tourism gateway" promotional program conducted by the North Dakota Division of Tourism.

### **Bison Ranch BBQ (possible lease arrangement)**

This will have two entrances, one inside the park and the other from the outside. It will feature bison BBQ, burgers, bratwurst, chili, and other foods. Phase 1 will have 100 seats with an expansion area for 100 additional seats.

### **Tatanka Lodge (private sector development)**

The bison-themed hotel will be targeted at 3.5-4.0 stars and upwards of 250 keys. Wings or floors will have various themes such as bison, Native America, settlers, western, prehistory, and traders/trappers. Parking is planned underneath the hotel due to weather and site constraints.



**Note 4 - Cash and Investment Assumptions**

The details of cash and investments are as follows:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Cash	\$ 2,204,000	\$ 4,646,000	\$ 7,273,000	\$ 10,033,000	\$ 13,203,000
Reinvestment reserve	113,000	362,000	781,000	1,226,000	1,708,000
Total cash and investments	<u>\$ 2,317,000</u>	<u>\$ 5,008,000</u>	<u>\$ 8,054,000</u>	<u>\$ 11,259,000</u>	<u>\$ 14,911,000</u>

Through the use of Apogee Attractions LLC's Market and Financial Assessment, management understands that setting aside a portion of annual revenues into a reinvestment reserve is what similar themed attractions typically do. Management intends to set aside a percentage of total revenues annually, amounting to 1% in 2024, 2% in 2025, and 3% for the years 2026 through 2028.

**Note 5 - Revenue Assumptions****Attendance**

Management utilized the results of the Market and Financial Assessment performed by Apogee Attractions LLC to forecast the attendance for Bison World. It will draw from a mixture of residents from the Jamestown region within a three-hour drive time radius and visitors already traveling within the State. The facility's attendance potential is based on a range of capture rates for each market segment. Market capture rates for the primary resident market range from 25% to 32%, for the secondary resident market range from 8% to 15%, for the tertiary market range from 6% to 14%, and for the domestic visitor market range from 17% to 24%.

The initial year of operations is planned for 2024 with an expected opening date of early April that year. Management is forecasting that it will take approximately two years to establish their operations and have targeted 2026 as the year to represent stabilized operations.

Based on the demographics and market study, management has estimated the annual available market attendance and then created a seasonal operating plan, which is a subset of the annual available attendance estimates. The facility will likely be open only on weekends and holidays during October, November, and December, and it is expected that the park will be closed from January through March. The following is management's attendance estimates being used during the forecasted period:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Available attendance	218,000	234,000	250,000	260,000	270,000
Forecasted attendance	197,300	211,800	226,300	242,900	259,500
Percentage of available attendance	90.5%	90.5%	90.5%	93.4%	96.1%

The attendance is forecasted to grow at an annual rate of 7.1% during each year of the forecast period.

### Entrance Tickets

Management reviewed entry fees at comparable attractions in order to determine forecasted ticket pricing when Bison World is operational beginning in 2024. It is anticipated that there will be different pricing levels for adults and children, as well as visitors, residents, ticket wholesalers, senior and military discounts, groups, promotional programs, and annual passes. The entrance ticket revenue, based on the averaged blended rate per year for each ticket, is forecasted as follows:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Attendance	197,300	211,800	226,300	242,900	259,500
Average admission ticket	<u>\$22.08</u>	<u>\$22.08</u>	<u>\$23.19</u>	<u>\$23.19</u>	<u>\$24.35</u>
Total entrance tickets	<u>\$ 4,356,000</u>	<u>\$ 4,677,000</u>	<u>\$ 5,248,000</u>	<u>\$ 5,633,000</u>	<u>\$ 6,319,000</u>

Management is forecasting the average ticket price to remain stable in 2025, increase 5.0% in 2026 with no change in 2027, and another 5.0% increase in 2028.

**Musical Show**

Tickets to the musical show will be in addition to the entrance ticket, and will have different pricing levels for adults and children. Attendance to the musical show is based on a percentage of the admission ticket attendance, averaging just below 45% for each year of the forecasted period. The musical show revenue, based on forecasted attendance and the averaged blended rate per year for each ticket, is forecasted as follows:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Musical show attendance	90,000	97,000	105,000	107,000	110,000
Average show ticket	<u>\$43.40</u>	<u>\$46.08</u>	<u>\$48.40</u>	<u>\$48.40</u>	<u>\$48.40</u>
Total musical show	<u>\$ 3,906,000</u>	<u>\$ 4,470,000</u>	<u>\$ 5,082,000</u>	<u>\$ 5,179,000</u>	<u>\$ 5,324,000</u>

Management is forecasting the average ticket price to increase 6.2% in 2025, 5.0% in 2026, and remain stable for 2027 and 2028.

**Food and Beverage**

Management is anticipating themed dining experiences as an integral part of each visitor's experience. Each visit is anticipated to last more than five hours and management has forecasted the following food and beverage spend:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Attendance	197,300	211,800	226,300	242,900	259,500
Average spend per visitor	<u>\$8.44</u>	<u>\$8.69</u>	<u>\$8.95</u>	<u>\$9.22</u>	<u>\$9.50</u>
Total food and beverage	<u>\$ 1,665,000</u>	<u>\$ 1,841,000</u>	<u>\$ 2,025,000</u>	<u>\$ 2,240,000</u>	<u>\$ 2,465,000</u>

Management is forecasting the average spend per visitor to increase 3% annually during the forecasted period.

**Merchandise**

The plans for Bison World include a merchandising program that will promote maximum exposure of shopping areas to patrons both entering and exiting the park. Merchandise revenue, based on the average spend per visitor, is forecasted as follows:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Attendance	197,300	211,800	226,300	242,900	259,500
Average spend per visitor	<u>\$6.75</u>	<u>\$6.95</u>	<u>\$7.16</u>	<u>\$7.38</u>	<u>\$7.60</u>
Total merchandise	<u>\$ 1,332,000</u>	<u>\$ 1,472,000</u>	<u>\$ 1,620,000</u>	<u>\$ 1,793,000</u>	<u>\$ 1,972,000</u>

Management is forecasting the average spend per visitor to increase 3% annually during the forecasted period.

**Other Revenue**

Management is considering other revenue sources such as naming rights, corporate sponsorships, private function meetings, and licensing. These sources could contribute significant additional revenue to Bison World but cannot be projected at this time. For that reason, management has excluded these revenues streams in the forecast.

**Note 6 - Expense Assumptions**

The Market and Financial Assessment performed by Apogee Attractions LLC included comparisons to several similar attractions in the region and across the country. These comparisons are what management used to develop the forecasted expenses for Bison World.

**Salaries and Benefits**

These costs are forecasted based on a percentage of total annual revenues:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Total revenues	\$ 11,259,000	\$ 12,460,000	\$ 13,975,000	\$ 14,845,000	\$ 16,080,000
Salaries and benefits	<u>\$ 3,603,000</u>	<u>\$ 3,987,000</u>	<u>\$ 4,472,000</u>	<u>\$ 4,750,000</u>	<u>\$ 4,985,000</u>
Percentage of total revenues	32.0%	32.0%	32.0%	32.0%	31.0%

**Cost of Goods Sold**

The cost of goods sold for food and beverage is based on 40% of the annual food and beverage revenue, and the cost of goods sold for merchandise is based on 38% of the annual merchandise revenue, as follows:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Food and beverage revenue	\$ 1,665,000	\$ 1,841,000	\$ 2,025,000	\$ 2,240,000	\$ 2,465,000
Merchandise revenue	\$ 1,332,000	\$ 1,472,000	\$ 1,620,000	\$ 1,793,000	\$ 1,972,000
Food and beverage COGS	\$ 666,000	\$ 736,000	\$ 810,000	\$ 896,000	\$ 986,000
Merchandise COGS	<u>506,000</u>	<u>559,000</u>	<u>616,000</u>	<u>681,000</u>	<u>749,000</u>
Total cost of goods sold	<u>\$ 1,172,000</u>	<u>\$ 1,295,000</u>	<u>\$ 1,426,000</u>	<u>\$ 1,577,000</u>	<u>\$ 1,735,000</u>

**Marketing**

Management has forecasted the marketing expenses as a percentage of total revenues, starting at 9% in 2024 and declining to 7% by 2026.

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Total revenues	\$ 11,259,000	\$ 12,460,000	\$ 13,975,000	\$ 14,845,000	\$ 16,080,000
Marketing	<u>\$ 1,013,000</u>	<u>\$ 935,000</u>	<u>\$ 978,000</u>	<u>\$ 1,039,000</u>	<u>\$ 1,126,000</u>
Percentage of total revenues	9.0%	7.5%	7.0%	7.0%	7.0%

**Contracted Services**

There will be a need for outside contracted services with management forecasting the amount based on a percentage of total revenues.

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Total revenues	\$ 11,259,000	\$ 12,460,000	\$ 13,975,000	\$ 14,845,000	\$ 16,080,000
Contracted services	<u>\$ 901,000</u>	<u>\$ 935,000</u>	<u>\$ 978,000</u>	<u>\$ 1,009,000</u>	<u>\$ 1,045,000</u>
Percentage of total revenues	8.0%	7.5%	7.0%	6.8%	6.5%

**Utilities**

Management is forecasting utility costs at 6% of the annual total revenues.

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Total revenues	\$ 11,259,000	\$ 12,460,000	\$ 13,975,000	\$ 14,845,000	\$ 16,080,000
Utilities	<u>\$ 676,000</u>	<u>\$ 748,000</u>	<u>\$ 839,000</u>	<u>\$ 891,000</u>	<u>\$ 965,000</u>
Percentage of total revenues	6.0%	6.0%	6.0%	6.0%	6.0%

**Repairs and Maintenance**

The expenses for repairs and maintenance are expected to be at 5% of total revenues once the theme park becomes fully stabilized in its operations in 2026. Prior to that management is forecasting the expense at 3% and 4% of total revenues in 2024 and 2025, respectively.

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Total revenues	\$ 11,259,000	\$ 12,460,000	\$ 13,975,000	\$ 14,845,000	\$ 16,080,000
Repairs and maintenance	<u>\$ 338,000</u>	<u>\$ 498,000</u>	<u>\$ 699,000</u>	<u>\$ 742,000</u>	<u>\$ 804,000</u>
Percentage of total revenues	3.0%	4.0%	5.0%	5.0%	5.0%

**Supplies**

Supplies are forecasted to be at a level of 3% of total revenues on an annual basis.

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Total revenues	\$ 11,259,000	\$ 12,460,000	\$ 13,975,000	\$ 14,845,000	\$ 16,080,000
Supplies	<u>\$ 338,000</u>	<u>\$ 374,000</u>	<u>\$ 419,000</u>	<u>\$ 445,000</u>	<u>\$ 482,000</u>
Percentage of total revenues	3.0%	3.0%	3.0%	3.0%	3.0%

**Insurance**

Management is forecasting insurance expense to be at 3% of total revenues on an annual basis.

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Total revenues	\$ 11,259,000	\$ 12,460,000	\$ 13,975,000	\$ 14,845,000	\$ 16,080,000
Insurance	<u>\$ 338,000</u>	<u>\$ 374,000</u>	<u>\$ 419,000</u>	<u>\$ 445,000</u>	<u>\$ 482,000</u>
Percentage of total revenues	3.0%	3.0%	3.0%	3.0%	3.0%

**Other**

To account for all other miscellaneous costs to operate Bison World, management is forecasting 5% of total revenues.

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Total revenues	\$ 11,259,000	\$ 12,460,000	\$ 13,975,000	\$ 14,845,000	\$ 16,080,000
Other	<u>\$ 563,000</u>	<u>\$ 623,000</u>	<u>\$ 699,000</u>	<u>\$ 742,000</u>	<u>\$ 804,000</u>
Percentage of total revenues	5.0%	5.0%	5.0%	5.0%	5.0%



Supplementary Information  
Years Ending December 31, 2024, 2025, 2026, 2027, and 2028  
**Bison World**



### **Sensitivity Analysis**

Because forecasts are based on assumptions about circumstances and events that have not yet occurred, they are subject to unanticipated events and circumstances that may arise as future operations actually occur. Accordingly, the actual results achieved during the forecast period will vary from the forecast, and the variations may be material.

The Market and Financial Assessment performed by Apogee Attractions LLC included a range of available attendance, from a low market share to a high market share, with the probable market share in between those two. The probable market share is what management used for the forecast.

The sensitivity of changes to critical variables is an important consideration in evaluating the forecasted financial statements. The following analyses contrasts the sensitivity of the attendance variable and unless otherwise noted, assumes that other variables such as the anticipated expenses based on the revenue amounts also change.

Apogee Attractions LLC has noted that effectively managed parks are structured to respond to increases and decreases in attendance via competent management planning, directing, and controlling functions. If attendance drops off, then variable expenses are quickly reduced (i.e. seasonal employee hours are reduced, and other variable expenses are reduced as well). This is not demonstrated in the sensitivity analysis. If a long-term reduction in attendance were to occur, then variable and fixed expenses would be reviewed with appropriate reductions made.

*Sensitivity I – Breakeven Attendance*

This sensitivity analysis includes a comparison of attendance for each year of the forecast period that would decrease revenues, and assumes that operating expenses remain the same as the forecast period. If such a decline in attendance were to happen, management’s response would be to analyze variable expenses to determine where cutbacks could be made. For the purposes of this sensitivity analysis no such cutbacks were assumed which would be contrary to any competent management’s operating plan. The estimated attendance annually for a breakeven net income is as follows:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Forecasted attendance	197,300	211,800	226,300	242,900	259,500
Breakeven attendance	<u>156,700</u>	<u>166,100</u>	<u>177,000</u>	<u>190,500</u>	<u>200,500</u>
Decrease in attendance	<u>(40,600)</u>	<u>(45,700)</u>	<u>(49,300)</u>	<u>(52,400)</u>	<u>(59,000)</u>

The impact on the revenues and net income for each year of the forecast period are as follows:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Forecasted revenues	\$ 11,259,000	\$ 12,460,000	\$ 13,975,000	\$ 14,845,000	\$ 16,080,000
Breakeven revenues	<u>8,942,000</u>	<u>9,769,000</u>	<u>10,929,000</u>	<u>11,640,000</u>	<u>12,428,000</u>
Decreased revenues	<u>(2,317,000)</u>	<u>(2,691,000)</u>	<u>(3,046,000)</u>	<u>(3,205,000)</u>	<u>(3,652,000)</u>
Forecasted expenses	<u>8,942,000</u>	<u>9,769,000</u>	<u>10,929,000</u>	<u>11,640,000</u>	<u>12,428,000</u>
Forecasted net income	2,317,000	2,691,000	3,046,000	3,205,000	3,652,000
Breakeven net income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Sensitivity II – Low Market Share Attendance*

The sensitivity analysis compares the forecasted attendance figures with low market share estimated attendance:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Forecasted attendance	197,300	211,800	226,300	242,900	259,500
Low market share attendance	<u>168,300</u>	<u>180,800</u>	<u>186,500</u>	<u>200,100</u>	<u>217,200</u>
Decrease in attendance	<u>(29,000)</u>	<u>(31,000)</u>	<u>(39,800)</u>	<u>(42,800)</u>	<u>(42,300)</u>

The impact on the revenues, expenses, and net income for each year of the forecast period are as follows:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Forecasted revenues	\$ 11,259,000	\$ 12,460,000	\$ 13,975,000	\$ 14,845,000	\$ 16,080,000
Low market share revenues	<u>9,604,000</u>	<u>10,636,000</u>	<u>11,517,000</u>	<u>12,228,000</u>	<u>13,459,000</u>
Decreased revenues	<u>(1,655,000)</u>	<u>(1,824,000)</u>	<u>(2,458,000)</u>	<u>(2,617,000)</u>	<u>(2,621,000)</u>
Forecasted expenses	8,942,000	9,769,000	10,929,000	11,640,000	12,428,000
Low market share expenses	<u>7,625,000</u>	<u>8,339,000</u>	<u>9,007,000</u>	<u>9,590,000</u>	<u>10,404,000</u>
Decreased expenses	<u>(1,317,000)</u>	<u>(1,430,000)</u>	<u>(1,922,000)</u>	<u>(2,050,000)</u>	<u>(2,024,000)</u>
Forecasted net income	2,317,000	2,691,000	3,046,000	3,205,000	3,652,000
Low market share net income	<u>\$ 1,979,000</u>	<u>\$ 2,297,000</u>	<u>\$ 2,510,000</u>	<u>\$ 2,638,000</u>	<u>\$ 3,055,000</u>

*Sensitivity III – High Market Share Attendance*

Effectively managed parks are structured to respond to increases and decreases in attendance via competent management planning, directing, and controlling functions. If attendance increases, then variable expenses are increased (i.e. seasonal employee hours are added, and other variable expenses are increase as well) while fixed expenses remain the same in the short term.

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Forecasted attendance	197,300	211,800	226,300	242,900	259,500
High market share attendance	<u>231,700</u>	<u>248,700</u>	<u>257,100</u>	<u>276,000</u>	<u>297,000</u>
Increase in attendance	<u>34,400</u>	<u>36,900</u>	<u>30,800</u>	<u>33,100</u>	<u>37,500</u>

The impact on the revenues, expenses, and net income for each year of the forecast period are as follows:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Forecasted revenues	\$ 11,259,000	\$ 12,460,000	\$ 13,975,000	\$ 14,845,000	\$ 16,080,000
High market share revenues	<u>13,223,000</u>	<u>14,628,000</u>	<u>15,878,000</u>	<u>16,867,000</u>	<u>18,404,000</u>
Increased revenues	<u>1,964,000</u>	<u>2,168,000</u>	<u>1,903,000</u>	<u>2,022,000</u>	<u>2,324,000</u>
Forecasted expenses	8,942,000	9,769,000	10,929,000	11,640,000	12,428,000
High market share expenses	<u>10,501,000</u>	<u>11,468,000</u>	<u>12,416,000</u>	<u>13,227,000</u>	<u>14,223,000</u>
Increased expenses	<u>1,559,000</u>	<u>1,699,000</u>	<u>1,487,000</u>	<u>1,587,000</u>	<u>1,795,000</u>
Forecasted net income	2,317,000	2,691,000	3,046,000	3,205,000	3,652,000
High market share net income	<u>\$ 2,722,000</u>	<u>\$ 3,160,000</u>	<u>\$ 3,462,000</u>	<u>\$ 3,640,000</u>	<u>\$ 4,181,000</u>

## Return on Investment Analysis

Management asked the State of North Dakota Department of Commerce (the Department) to analyze the potential tax impacts of the operations of Bison World, including sales and use tax and individual income tax. Using inputs based on the results of the forecasted financial statements and the three sensitivity analyses, the Department utilized the REMI PI+ model which is a structural economic forecasting and policy analysis model. The model integrates input-output, computable general equilibrium, econometric, and economic geography methodologies. The model is dynamic, with forecasts and simulations generated annually and behavioral responses to compensation, price, and other economic factors. The REMI PI+ model is tailored to North Dakota using historical data from reliable sources such as the Bureau of Census, the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Energy Information Administration, and other reliable data sources. The REMI PI+ model is also widely used by state agencies and legislatures, universities, and other organizations and experts.

The following is the methodology applied to the sales and use tax and individual income tax by the Department:

- The projected tax revenues are based on the REMI model's output and total wages and salaries and the 10-year average effective marginal tax rates for the sales and use tax and individual income tax.
- The 10-year Average Effective Marginal Tax Rate of 5.01% was computed using historical data (Total, Taxable Sales and Purchases and Tax Revenues from Sales & Use Tax for the period 2010-2019) retrieved from the North Dakota Office of State Tax Commissioner website.
- The 10-year average effective marginal tax rate of 4.99% was computed using historical data (Tax Revenues from Individual Income Tax and Taxable Annual Wages for the period 2010-2019) retrieved from the North Dakota Office of State Tax Commissioner and U.S Bureau Labor Statistics respectively.

The following table summarizes the estimated annual revenues to the State of North Dakota from 1) net income from the forecasted operations of Bison World, 2) sales and use tax revenues, and 3) individual income tax revenues. It does not include the economic impacts/benefits that would result during the construction phase.

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	Five-Year Cumulative Totals
Forecasted net income	\$ 2,317,000	\$ 2,691,000	\$ 3,046,000	\$ 3,205,000	\$ 3,652,000	\$ 14,911,000
State sales and use tax	2,540,000	2,760,000	2,990,000	3,120,000	3,230,000	14,640,000
Individual income tax	<u>740,000</u>	<u>800,000</u>	<u>890,000</u>	<u>950,000</u>	<u>1,000,000</u>	<u>4,380,000</u>
Total	<u>\$ 5,597,000</u>	<u>\$ 6,251,000</u>	<u>\$ 6,926,000</u>	<u>\$ 7,275,000</u>	<u>\$ 7,882,000</u>	<u>\$ 33,931,000</u>
Annual return on \$72.5M investment	7.7%	8.6%	9.6%	10.0%	10.9%	

**Bison World**  
Return on Investment Analysis  
Years Ending December 31, 2024, 2025, 2026, 2027, and 2028

The following table summarizes the estimated annual revenues to the State of North Dakota from 1) net income from “Sensitivity I – Breakeven Attendance” operations of Bison World, 2) sales and use tax revenues, and 3) individual income tax revenues. It does not include the economic impacts/benefits that would result during the construction phase.

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	Five-Year Cumulative Totals
Breakeven net income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sales and use tax	2,350,000	2,530,000	2,730,000	2,850,000	2,920,000	13,380,000
Individual income tax	<u>690,000</u>	<u>730,000</u>	<u>810,000</u>	<u>860,000</u>	<u>900,000</u>	<u>3,990,000</u>
Total	<u>\$ 3,040,000</u>	<u>\$ 3,260,000</u>	<u>\$ 3,540,000</u>	<u>\$ 3,710,000</u>	<u>\$ 3,820,000</u>	<u>\$ 17,370,000</u>
Annual return on \$72.5M investment	4.2%	4.5%	4.9%	5.1%	5.3%	

The following table summarizes the estimated annual revenues to the State of North Dakota from 1) net income from “Sensitivity II – Low Market Share Attendance” operations of Bison World, 2) sales and use tax revenues, and 3) individual income tax revenues. It does not include the economic impacts/benefits that would result during the construction phase.

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	Five-Year Cumulative Totals
Low market share net income	\$ 1,979,000	\$ 2,297,000	\$ 2,510,000	\$ 2,638,000	\$ 3,055,000	\$ 12,479,000
State sales and use tax	2,160,000	2,350,000	2,510,000	2,620,000	2,730,000	12,370,000
Individual income tax	<u>630,000</u>	<u>680,000</u>	<u>750,000</u>	<u>800,000</u>	<u>840,000</u>	<u>3,700,000</u>
Total	<u>\$ 4,769,000</u>	<u>\$ 5,327,000</u>	<u>\$ 5,770,000</u>	<u>\$ 6,058,000</u>	<u>\$ 6,625,000</u>	<u>\$ 28,549,000</u>
Annual return on \$72.5M investment	6.6%	7.3%	8.0%	8.4%	9.1%	

The following table summarizes the estimated annual revenues to the State of North Dakota from 1) net income from “Sensitivity III – High Market Share Attendance” operations of Bison World, 2) sales and use tax revenues, and 3) individual income tax revenues. It does not include the economic impacts/benefits that would result during the construction phase.

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	Five-Year Cumulative Totals
High market share net income	\$ 2,722,000	\$ 3,160,000	\$ 3,462,000	\$ 3,640,000	\$ 4,181,000	\$ 17,165,000
State sales and use tax	2,980,000	3,240,000	3,470,000	3,620,000	3,760,000	17,070,000
Individual income tax	<u>870,000</u>	<u>940,000</u>	<u>1,040,000</u>	<u>1,100,000</u>	<u>1,160,000</u>	<u>5,110,000</u>
Total	<u>\$ 6,572,000</u>	<u>\$ 7,340,000</u>	<u>\$ 7,972,000</u>	<u>\$ 8,360,000</u>	<u>\$ 9,101,000</u>	<u>\$ 39,345,000</u>
Annual return on \$72.5M investment	9.1%	10.1%	11.0%	11.5%	12.6%	