

**ECONOMIC DEVELOPMENT FINANCE AUTHORITY
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
THURSDAY, MARCH 1, 2018, 9:30 A.M. CT**

TABLE OF CONTENTS

- A. Regular Session Agenda
- B. Minutes
- C. Investment Report
- D. Quarterly Financials
- E. Executive Session Agenda
- F. Watchlist
- G. Bills

Notice is further given to persons with disabilities that this meeting is being held in a physical accessible place. Please notify the above mentioned office within 48 hours of the public hearing if you have special needs for which this agency will make the necessary arrangements.

**ECONOMIC DEVELOPMENT FINANCE AUTHORITY
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
THURSDAY, MARCH 1, 2018, 9:30 A.M. CT**

Motion Sheet

Board Members

Terry Nelson

Gerrit Juffer

Casey Derflinger

Jeff Erickson

Don Kettering

Sharon Casey

Tom Jones

Trustees

Bert Olson

EDFA Meeting: Please note times:

Call To Order _____

Executive Session: _____

Regular Session: _____

Adjournment: _____

Agenda

Motion to approve the Agenda as presented.

Motion made by _____ and seconded by _____.

Minutes

Motion to approve the minutes of the November 1, 2017 meeting, as presented.

Motion made by _____ and seconded by _____.

Executive Session

Motion to enter into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion made by _____ and seconded by _____.

Chairman: Declare board out of executive session. [a.m.]. Chairman: The EDFA entered into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. No action was taken.

Motion to approve the chairman's report from executive session.

Motion made by _____ and seconded by _____.

Bills

Motion to approve the bills payable to First National Wealth Management in the amount of \$4,175 and Department of Legislative Audit in the amount of \$6,175.

Motion made by _____ and seconded by _____.

Adjourn

Motion made by _____ and seconded by _____.

A

**ECONOMIC DEVELOPMENT FINANCE AUTHORITY
GOED LARGE CONF. ROOM, 711 E WLLS AVE, PIERRE, SD
THURSDAY, MARCH 1, 2018, 9:30 A.M. CT**

REGULAR SESSION AGENDA

- 9:30 A.M. Call To Order, Chairman, Terry Nelson
- 9:35 A.M. **Approve Agenda**
RECOMMENDED ACTION: Motion to approve Agenda as provided or amended.
- Approve Minutes**
RECOMMENDED ACTION: Motion to approve Minutes as provided or amended.
- Investment Report**
- Quarterly Financials**
- 9:55 A.M. Commissioner's Comments
- 10:00 A.M. **Executive Session**
RECOMMENDED ACTION: Motion to enter into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance applicants.
- 10:10 A.M. **Report from Executive Session**
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.
- Bills
First National Wealth Management - \$4,175
Department of Legislative Audit - \$6,175

Notice is further given to persons with disabilities that this meeting is being held in a physically accessible place. Please notify the above mentioned office within 48 hours of the public hearing if you have special needs for which this agency will make the necessary arrangements,

You can participate in the meeting at GOED office at 711 E Wells Ave, Pierre, South Dakota or the GOED office at the Zeal Center for Entrepreneurship at 2329 N. Career Avenue, Sioux Falls, South Dakota.

B

**Economic Development Finance Authority
GOED Conference Room, 711 E Wells Ave, Pierre, SD
Wednesday, November 1, 2017, 1:00 p.m. CT**

Members Present

Chairman Terry Nelson, Casey Derflinger, Jeff Erickson, Don Kettering, Sharon Casey and Tom Jones

Staff Present

Commissioner Scott Stern, Cassie Stoeser, Ashley Moore, LaJena Gruis and Cassidy Kulesa,

Others Present

Liz Woodsend, Bert Olson and Matt Adamson - First National Bank in Sioux Falls

Call to Order

Chairman Nelson called the meeting to order at 1:00 p.m.

Agenda

A motion was made by Don Kettering and seconded by Jeff Erickson to approve the agenda as presented.

Motion passed by a roll call vote.

Minutes

A motion was made by Jeff Erickson and seconded by Don Kettering to approve the minutes of June 26, 2017 as presented.

Motion passed by a roll call vote with Sharon Casey and Tom Jones abstaining.

Annual Report/Audit Report

A motion was made by Casey Derflinger and seconded by Jeff Erickson to approve the 2017 Annual Report/Audit Report as presented.

Motion passed by a roll call vote.

Election of Officers

A motion was made by Jeff Erickson and seconded by Don Kettering to elect Casey Derflinger as interim Secretary/Treasurer.

Motion passed by a roll call vote.

Executive Session

A motion was made by Sharon Casey and seconded by Don Kettering to enter into executive session at 1:25 p.m. to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion passed by a roll call vote.

Executive Session

The Chairman declared the board out of executive session at 1:29 p.m. The Economic Development Finance Authority entered into Executive Session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. No action was taken.

A motion was made by Jeff Erickson and seconded by Tom Jones to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Bills

A motion was made by Don Kettering and seconded by Jeff Erickson to approve the bills payable to First National Wealth Management in the amount of \$7,465, \$1,200 and \$4,156. Motion passed by a roll call vote.

Adjourn

A motion was made by Sharon Casey and seconded by Don Kettering to adjourn the meeting at 1:31 p.m. Motion passed by a roll call vote.

Casey Derflinger, Secretary/Treasurer

C

South Dakota Economic Development Finance Authority

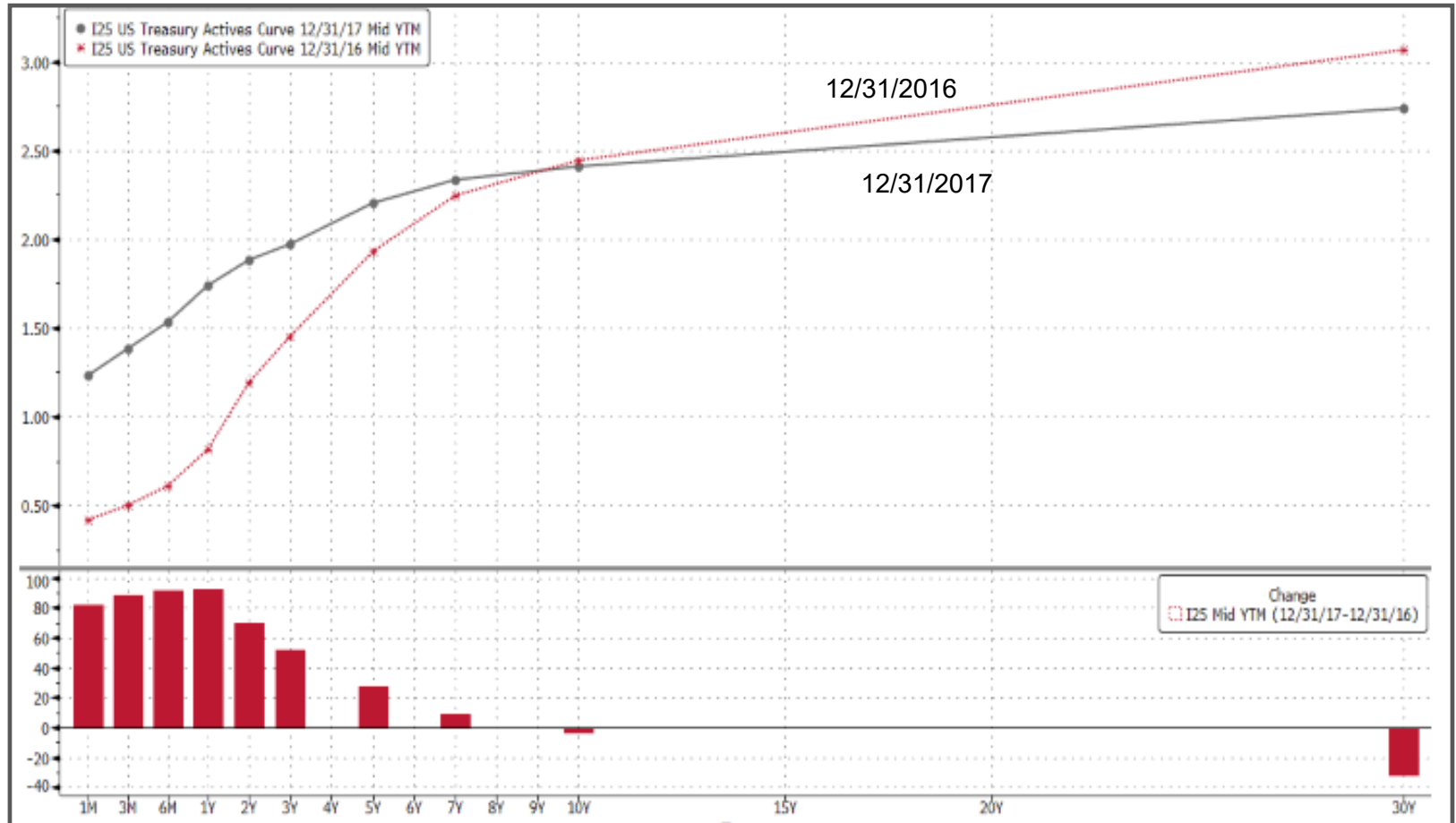
Investment Review
as of
December 31, 2017

F. Bert Olson, VP and Corporate Trust Officer
Matt Adamson, CFA, Investment Portfolio Manager



Treasury Yield Movement

12/31/2016 - 12/31/2017



Source: Bloomberg



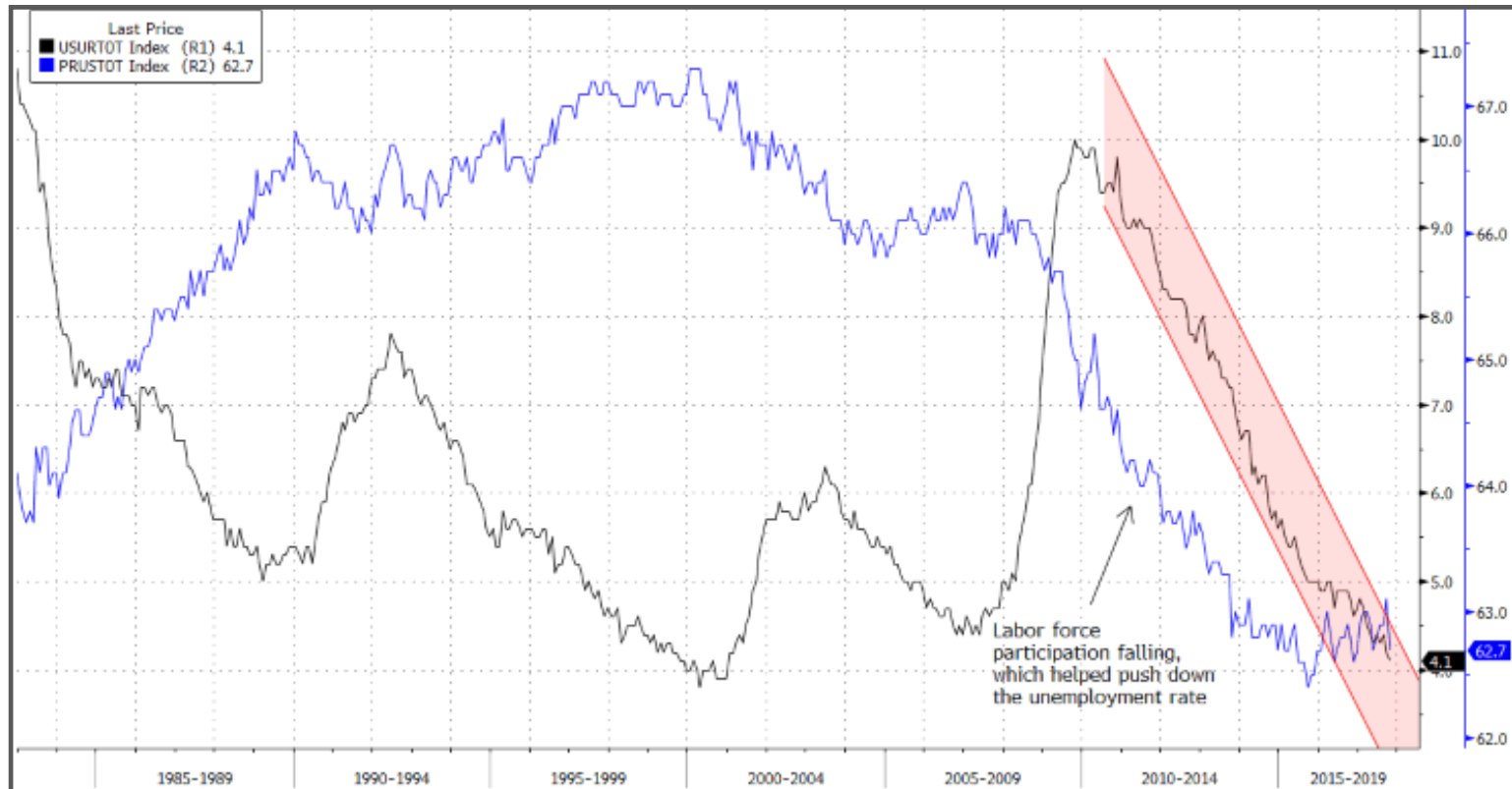
Personal Consumption Expenditures (PCE) Inflation Index



PCE inflation has retreated from its recent high in February with the last reported year over year PCE coming in at 1.8%. Inflation has begun moving back toward the Fed's target which should support continued rate hikes in 2018. However, wage growth remains subdued, even with a cycle low unemployment rate. If wages do not accelerate, inflation is unlikely to move beyond the Fed's target. Only time will tell which factors will dominate in the next year.



Unemployment & Labor Force Participation

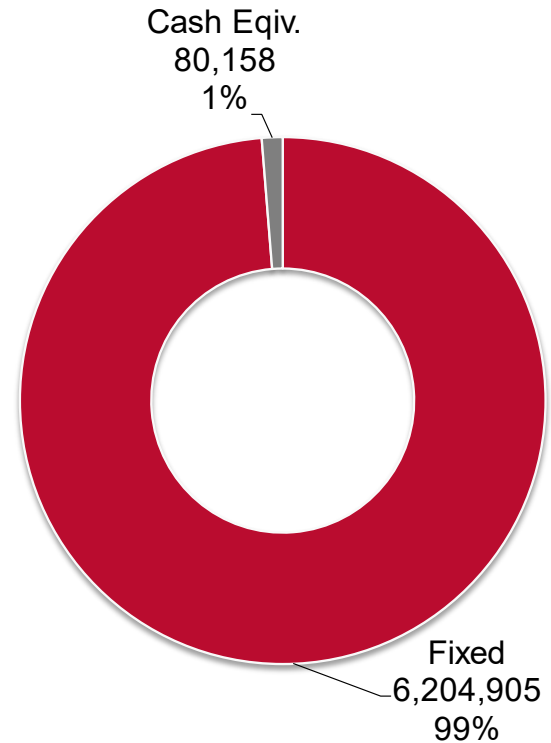


Unemployment continues its post-recession fall. The seasonally adjusted rate (U3) has fallen from 5.6% at the end of 2014 to 4.1% as of December 31, 2017. Labor force participation has generally fallen during the recovery, but has now stabilized in the 62.5 to 63.0 percent range. This is positive for employment since it means more people are looking and available for employment. With the new tax law set to be implemented, unemployment is anticipated to drop even further as some additional hiring could take place.



Reserve Accounts

Asset Allocation as of 12/31/2017



Portfolio Market Value: \$6,285,063

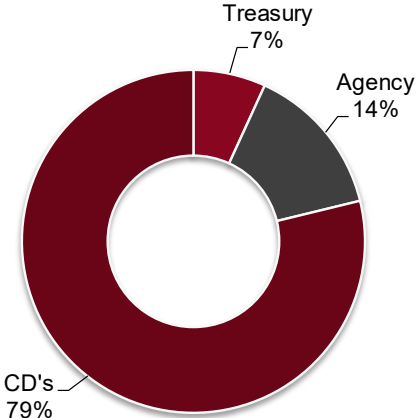
*As the largest determinant of returns and variability,
you want this positioned for future goals*



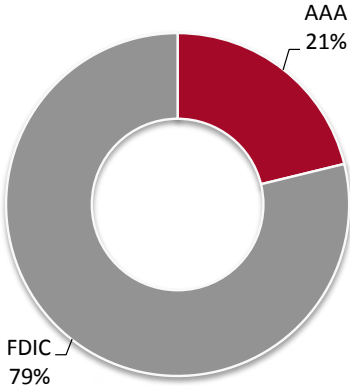
Reserve Accounts

Fixed Income Characteristics as of 12/31/2017

Fixed Income Allocation



Quality Breakout



Fixed Income Characteristics	
Fixed Income Market Value	\$6,204,905
Estimated Income From Fixed	\$86,516
Weighted Average Market Yield*	1.76%
Weighted Duration (Years)	0.99

*Weighted Average Market Yield is based on Market Yield for individual bonds and 30 Day SEC Yield for Fixed Mutual Funds



Reserve Accounts

Fixed Income Holdings Summary as of 12/31/2017

Par Value	Market Value	Book Value	Asset Name	Coupon Rate	Maturity Date	Estimated Income	Bond Rating
80,157.44	\$80,157.44	\$80,157.44	Federated Government Obligations Fund Premier	0.00%	1/1/2018	\$947.09	
125,000.00	\$125,011.63	\$124,897.50	Israel Discount Bank Of NY CD Dtd 01/13/2016 1.250% Due 01/16/18	1.25%	1/16/2018	\$1,562.50	FDIC
100,000.00	\$99,945.80	\$100,000.00	Sallie Mae Bank/Salt Lake UT CD Dtd 08/10/2016 0.900% Due 02/12/2018	0.90%	2/12/2018	\$900.00	FDIC
160,000.00	\$159,876.32	\$160,000.00	Privatebank & Trust Co IL CD Dtd 08/29/2016 0.850% Due 02/28/2018	0.85%	2/28/2018	\$1,360.00	FDIC
125,000.00	\$124,978.13	\$124,987.50	Comenity Capital Bank UT CD Dtd 02/29/2016 1.000% Due 03/01/2018	1.00%	3/1/2018	\$1,250.00	FDIC
175,000.00	\$174,728.93	\$174,947.29	US Treasury Note Dtd 04/01/2013 0.750% Due 03/31/2018	0.75%	3/31/2018	\$1,312.50	AAA
125,000.00	\$124,905.63	\$124,645.00	Zions First Natl Bank UT CD Dtd 04/07/2016 0.900% Due 04/05/2018	0.90%	4/5/2018	\$1,125.00	FDIC
238,000.00	\$236,826.66	\$238,000.00	Luana Savings Bank IA CD Dtd 07/08/2016 0.800% Due 05/08/2018	0.80%	5/8/2018	\$1,904.00	FDIC
145,000.00	\$144,567.90	\$144,440.30	Sallie Mae Bank/Salt Lake UT CD Dtd 07/13/2016 0.900% Due 07/13/2018	0.90%	7/13/2018	\$1,305.00	FDIC
175,000.00	\$175,002.63	\$175,000.00	Bank Of China/New York NY CD Dtd 07/17/2017 1.550% Due 07/16/2018	1.55%	7/16/2018	\$2,712.50	FDIC
89,000.00	\$88,645.16	\$88,817.55	Wells Fargo Bank NA SD CD Dtd 08/17/2016 1.050% Due 08/17/2018	1.05%	8/17/2018	\$934.50	FDIC
125,000.00	\$124,489.38	\$124,673.75	Capital One Bank USA NA VA CD Dtd 08/24/2016 1.100% Due 08/24/2018	1.10%	8/24/2018	\$1,375.00	FDIC
248,000.00	\$246,768.18	\$248,000.00	Brookline Bank MA CD Dtd 09/29/2016 1.050% Due 09/28/2018	1.05%	9/28/2018	\$2,604.00	FDIC
125,000.00	\$124,404.38	\$124,720.00	Merrick Bank UT CD Dtd 11/08/2016 1.100% Due 11/08/2018	1.10%	11/8/2018	\$1,375.00	FDIC
250,000.00	\$248,857.50	\$250,607.30	US Treasury Note Dtd 11/16/2015 1.250% Due 11/15/2018	1.25%	11/15/2018	\$3,125.00	AAA
385,000.00	\$384,392.47	\$387,574.09	Fannie Mae Dtd 10/01/2013 1.625% Due 11/27/2018	1.63%	11/27/2018	\$6,256.25	AAA
105,000.00	\$104,914.22	\$104,898.18	American Express Bk Fsb UT CD Dtd 08/29/2017 1.600% Due 11/29/2018	1.60%	11/29/2018	\$1,680.00	FDIC
120,000.00	\$119,571.48	\$120,000.00	BMW Bank North America UT CD Dtd 11/30/2016 1.300% Due 11/30/2018	1.30%	11/30/2018	\$1,560.00	FDIC
147,000.00	\$146,512.25	\$147,000.00	Everbank/Jacksonville FL CD Dtd 12/09/2016 1.350% Due 12/07/2018	1.35%	12/7/2018	\$1,984.50	FDIC
250,000.00	\$248,338.25	\$249,377.67	Fannie Mae Dtd 11/03/2015 1.125% Due 12/14/2018	1.13%	12/14/2018	\$2,812.50	AAA
20,000.00	\$19,935.92	\$19,960.00	BMW Bank North America UT CD Dtd 01/20/2017 1.450% Due 01/22/2019	1.45%	1/22/2019	\$290.00	FDIC
90,000.00	\$89,793.99	\$90,000.00	Wells Fargo Bank NA SD CD Dtd 02/01/2017 1.550% Due 02/01/2019	1.55%	2/1/2019	\$1,395.00	FDIC
100,000.00	\$99,788.80	\$100,000.00	Ally Bank UT CD Dtd 08/31/2017 1.600% Due 02/28/2019	1.60%	2/28/2019	\$1,600.00	FDIC
45,000.00	\$44,801.15	\$44,922.81	Midland States Bank IL CD Dtd 02/28/2017 1.400% Due 02/28/2019	1.40%	2/28/2019	\$630.00	FDIC
125,000.00	\$124,575.88	\$125,000.00	Capital One Bank USA NA VA CD Dtd 03/08/2017 1.500% Due 03/08/2019	1.50%	3/8/2019	\$1,875.00	FDIC
260,000.00	\$258,931.92	\$260,251.82	Federal Home Loan Bank Dtd 02/06/2012 1.500% Due 03/08/2019	1.50%	3/8/2019	\$3,900.00	AAA
50,000.00	\$49,874.05	\$49,976.63	Goldman Sachs Bank USA NY CD Dtd 03/30/2017 1.600% Due 03/28/2019	1.60%	3/28/2019	\$800.00	FDIC
200,000.00	\$199,249.40	\$200,000.00	Key Bank NA OH CD Dtd 03/29/2017 1.500% Due 03/29/2019	1.50%	3/29/2019	\$3,000.00	FDIC
180,000.00	\$179,549.82	\$180,000.00	American Express Centurion UT CD Dtd 04/05/2017 1.650% Due 04/05/2019	1.65%	4/5/2019	\$2,970.00	FDIC
160,000.00	\$159,641.12	\$159,976.03	Whitney Bank/Ms LA CD Dtd 04/20/2017 1.650% Due 04/22/2019	1.65%	4/22/2019	\$2,640.00	FDIC
250,000.00	\$248,898.25	\$249,136.70	American Express Bk Fsb UT CD Dtd 05/03/2017 1.550% Due 05/03/2019	1.55%	5/3/2019	\$3,875.00	FDIC
95,000.00	\$94,756.61	\$95,000.00	Franklin Synergy Bank TN CD Dtd 08/30/2017 1.700% Due 06/28/2019	1.70%	6/28/2019	\$1,615.00	FDIC
147,000.00	\$146,549.15	\$146,990.06	Ally Bank UT CD Dtd 07/27/2017 1.700% Due 07/29/2019	1.70%	7/29/2019	\$2,499.00	FDIC
30,000.00	\$29,900.64	\$29,965.76	Morgan Stanley Bank NA UT CD Dtd 08/10/2017 1.700% Due 08/12/2019	1.70%	8/12/2019	\$510.00	FDIC
123,000.00	\$122,557.20	\$122,759.68	Comenity Capital Bank UT CD Dtd 08/28/2017 1.700% Due 08/28/2019	1.70%	8/28/2019	\$2,091.00	FDIC
248,000.00	\$247,302.62	\$248,000.00	Capital One NA VA CD Dtd 08/30/2017 1.750% Due 08/30/2019	1.75%	8/30/2019	\$4,340.00	FDIC
100,000.00	\$99,579.30	\$100,000.00	Northern Bank & Trust MA CD Dtd 09/29/2017 1.700% Due 09/30/2019	1.70%	9/30/2019	\$1,700.00	FDIC
110,000.00	\$109,480.47	\$110,000.00	Hanmi Bank CA CD Dtd 10/25/2017 1.700% Due 10/25/2019	1.70%	10/25/2019	\$1,870.00	FDIC
245,000.00	\$244,017.80	\$245,000.00	Morgan Stanley Bank NA UT CD Dtd 11/02/2017 1.750% Due 11/04/2019	1.75%	11/4/2019	\$4,287.50	FDIC
245,000.00	\$243,775.74	\$245,000.00	Discover Bank DE CD Dtd 11/08/2017 1.700% Due 11/08/2019	1.70%	11/8/2019	\$4,165.00	FDIC
190,000.00	\$189,208.46	\$190,000.00	Ally Bank UT CD Dtd 11/09/2017 1.750% Due 11/12/2019	1.75%	11/12/2019	\$3,325.00	FDIC
\$6,305,157.44	\$6,285,062.63	\$6,304,683.06		1.37%	1/9/2019	\$87,462.84	



Reserve Accounts

Detailed Summary as of 12/31/2017

	Capital Reserve	Marmen Energy 2013A	TOTAL
Certificates of Deposit			
Israel Discount Bk NY CD dtd 1/13/16 1.25%, due 1/16/18	\$125	---	\$125
Sallie Mae Bk Salt Lk UT CD dtd 8/10/16 .90%, due 2/12/18	\$100	---	\$100
Private Bk & Trust IL CD dtd 8/29/16 .85%, due 2828/18	\$160	---	\$160
Comenity Capital Bk UT CD dtd 2/29/16 1%, due 3/1/18	\$125	---	\$125
Zions First Natl Bk UT CD dtd 4/7/16 .90%, due 4/5/18	\$125	---	\$125
Luana Savings Bk IA cd dtd 7/8/16 .80%, due 5/8/18	\$238	---	\$238
Sallie Mae Bank Salt Lk UT cd dtd 7/13/16 .90%, due 7/13/18	\$145	---	\$145
Bank of China NY, NY cd dated 7/17/17 1.55%, due 7/16/18	\$175	---	\$175
Wells Fargo Bk CD dtd 8/17/16 1.05%, due 8/17/18	\$89	---	\$89
Capital One Bk CD dtd 8/24/16 1.1%, due 8/24/18	\$125	---	\$125
Brookline Bk MA CD dtd 9/29/16 1.05%, due 9/28/18	\$248	---	\$248
Merrick Bk UT CD dtd 11/8/16 1.1%, due 11/8/18	\$125	---	\$125
BMW Bk UT CD dtd 11/30/16 1.3%, due 11/30/18	\$120	---	\$120
Everbank Jacksonville FL CD dtd 12/9/16 1.35%, due 12/7/18	\$147	---	\$147
BMW Bk UT CD dtd 1/20/17 1.45%, due 1/22/19	\$20	---	\$20
Wells Fargo Bk CD dtd 2/1/17 1.55%, due 2/1/19	\$90	---	\$90
Midland States IL cd dtd 2/28/17 1.4%, due 2/28/19	\$45	---	\$45
Ally Bank UT dtd 8/31/17 1.6%, due 2/28/19	---	\$100	\$100



Reserve Accounts

Detailed Summary as of 12/31/2017

	Capital Reserve	Marmen Energy 2013A	TOTAL
Certificates of Deposit			
Key Bank OH cd dtd 3/29/17 1.5%, due 3/29/19	\$200	---	\$200
Capital One Bk VA cd dtd 3/8/17 1.5%, due 3/8/19	\$125	---	\$125
Goldman Sachs Bk NY cd dtd 3/30/17 1.6%, due 3/28/19	\$50	---	\$50
American Exp Centurion Salt Lk Cty UT CD dtd 4/5/17 1.65%, due 4/5/19	\$180	---	\$180
Whitney Bk MS LA cd dtd 4/20/17 1.65%, due 4/22/19	160	---	\$160
American Exp Bk fsb UT cd dtd 5/3/17 1.55%, due 5/3/19	\$250	---	\$250
Franklin Synergy Bank TN cd dtd 8/30/17 1.70%, due 6/28/19	\$95	---	\$95
Ally Bank UT dtd 7/27/17 1.7%, due 7/29/19	---	\$147	\$147
Morgan Stanley Bank UT cd dtd 8/10/17 1.7%, due 8/12/19	\$30	---	\$30
Comenity Capital Bank UT cd dtd 8/28/17 1.7%, due 8/28/19	\$123	---	\$123
Capital One VA CD dtd 8/30/17 1.75%, due 8/30/19	\$248	---	\$248
Northern Bank and Trust MA cd dtd 9/29/17 1.7%, due 9/30/19	\$100	---	\$100
Hanmi Bank CA cd dtd 10/25/17 1.7%, due 10/25/19	\$110	---	\$110
Morgan Stanley Bank UT cd dtd 11/2/17 1.75% due 11/4/19	---	\$245	\$245
Discover Bank DE cd dtd 11/8/17 1.7%, due 11/8/19	---	\$245	\$245
Ally Bank UT cd dated 11/12/19 1.75%, due 11/12/19	\$190	---	\$190
American Express Bank UT dtd 8/29/17 1.6%, due 11/29/18	---	\$105	\$105
Total	\$4,063	\$842	\$4,905



Reserve Accounts

Detailed Summary as of 12/31/2017

	Capital Reserve	Marmen Energy 2013A	TOTAL
US Government & Agencies			
US Treasury Nt dtd 4/1/13 .75%, due 3/31/18	\$175	---	\$175
US Treasury Nt dtd 11/16/15 1.25%, due 11/15/18	\$250	---	\$250
Fannie Mae Bond dtd 10/1/13 1.35%, due 11/27/18	\$385	---	\$385
Fannie Mae Bond dtd 11/3/15 1.125%, due 12/14/18	\$250	---	\$250
Federal Home Loan Bank dtd 2//6/12 1.5%, due 3/8/19	\$260	---	\$260
Total	\$1,320	\$0	\$1,320
Total Certificates of Deposit	\$4,063	\$842	\$4,905
Total US Government Agencies	\$1,320	\$0	\$1,320
Federated MM	\$71	\$9	\$80
TOTAL ASSETS	\$5,454	\$851	\$6,305



Reserve Accounts

Transaction Summary as of 12/31/2017

Asset Sales/Maturities:	\$165,000	Bank of India NY 1%, 7/3/17
	\$115,000	Zions National Bank UT 1.1%, 8/15/17
	\$248,000	Capital One VA 1.25%, 8/21/17
	\$245,000	Ally Bank UT 1.25%, 8/28/17
	\$247,000	Compass Bank AL 1.3%, 8/31/17
	\$95,000	MB Financial Bank IL .95%, 9/11/17
	\$107,000	BMW Bank North America UT 1.15%, 10/16/17
	\$193,000	Ally Bank UT 1.15%, 10/30/17
	\$248,000	American Express Centurion UT 1.2%, 10/30/17
	\$240,000	Capital One Bank USA VA 1.2%, 10/30/17
Asset Purchases:	\$175,000	Bank of China NY, NY 1.55%, 7/17/17
	\$25,000	US Treasury Notes .75%, 8/18/17
	\$248,000	Capital One VA 1.75%, 8/30/17
	\$95,000	Franklin Synergy Bank TN 1.7%, 8/30/17
	\$100,000	Ally Bank UT 1.6%, 8/31/2017
	\$147,000	Ally Bank UT 1.7%, 9/1/2017
	\$105,000	American Express Bank UT 1.6%, 9/8/17
	\$123,000	Comenity Capital Bank 1.7%, 9/8/17
	\$30,000	Morgan Stanley Bank UT 1.7%, 9/8/17
	\$100,000	Northern Bank & Trust MA 1.7%, 9/29/17
	\$110,000	Hanmi Bank CA 1.7%, 10/25/17
	\$245,000	Morgan Stanley Bank UT 1.75%, 11/2/2017
	\$245,000	Discover Bank DE 1.7%, 11/8/17
	\$190,000	Ally Bank UT 1.75%, 11/9/2017
Disbursements:	\$73	May, Adam, Gerdes and Thompson on 10/11/2017
Receipts:	N/A	
Transfers:	-\$73	Transfer to General Fund for May Adam payment
	\$423	FNB Semi-Annual Inv Mgmt Fee from Marmen Reserve
Interest Income Received:	\$40,129	



Reserve Accounts

Performance Summary for Period Ending 12/31/2017

	1 YEAR	3 YEARS	5 YEARS	7 YEARS
TOTAL PORTFOLIO (Net of Fees)	0.86	0.88	0.73	0.76
BENCHMARK	0.63	0.50	0.40	0.45
FIXED/TAXABLE - PORTFOLIO	0.87	0.91	0.75	0.78
<i>Fixed ST: Merrill 0-3 Month T-Bill Index</i>	<i>0.82</i>	<i>0.36</i>	<i>0.23</i>	<i>0.19</i>
<i>Fixed ST: Merrill Treasury/Agency 1-3 Year Index</i>	<i>0.44</i>	<i>0.63</i>	<i>0.58</i>	<i>0.70</i>
CASH & EQUIV - PORTFOLIO	0.78	0.33	0.20	0.15
<i>Cash Equiv: Citigroup 1 Month T-Bill Index</i>	<i>0.80</i>	<i>0.34</i>	<i>0.22</i>	<i>0.17</i>
CPI-U (as of 11/30/17)	2.2	1.5	1.4	1.7

Total account returns are net of fees when fees are deducted from the account(s). Returns over 1 year are annualized. Benchmark indices are not available for direct investment; their performance does not reflect the expenses associated with the management of an actual portfolio. Total returns are geometric and include the income and change in value of the investment assets over the time period shown. Past performance is no guarantee of future results. Investment products are not bank guaranteed, may lose value, and are not FDIC Insured.

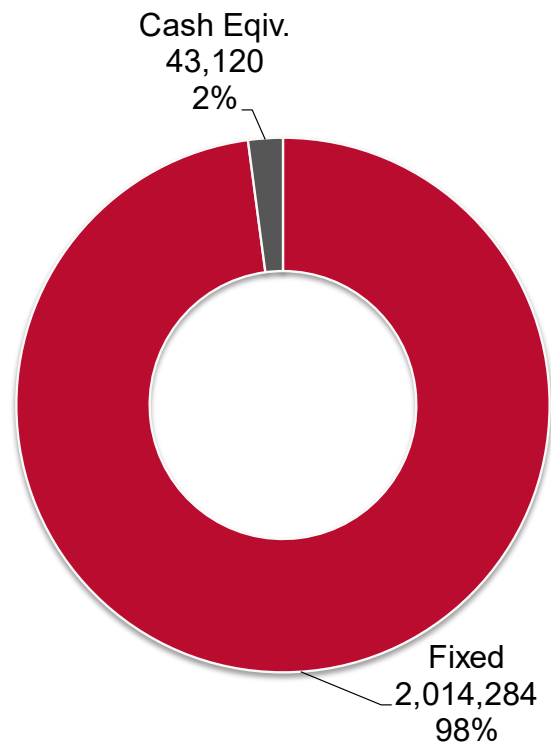
Current benchmark is 50% Merrill 0-3 Month T-Bill Index, 50% Merrill Treasury/Agency 1-3 Year Index.

Prior to 1/1/2009 the benchmark was a blend of 80% 1-5 Year US Treasuries and 20% 1-3 Year US Corporate.



General Account

Asset Allocation As of 12/31/2017



Portfolio Market Value: \$2,057,404

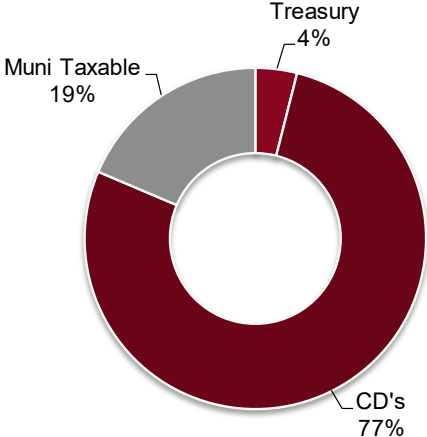
*As the largest determinant of returns and variability,
you want this positioned for future goals*



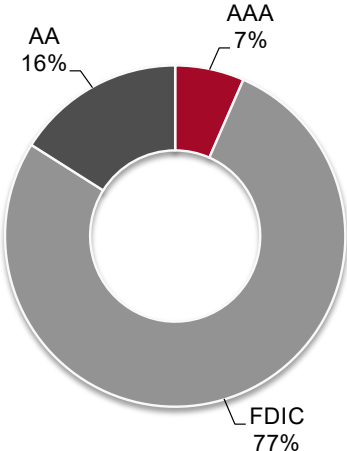
General Account

Fixed Income Characteristics as of 12/31/2017

Fixed Income Allocation



Quality Breakout



Fixed Income Characteristics	
Fixed Income Market Value	\$2,014,284
Estimated Income From Fixed	\$45,475
Weighted Average Market Yield*	2.22%
Weighted Duration (Years)	2.97

*Weighted Average Market Yield is based on Market Yield for individual bonds and 30 Day SEC Yield for Fixed Mutual Funds



General Account

Fixed Income Holdings Summary as of 12/31/2017

Par Value	Market Value	Book Value	Asset Name	Coupon Rate	Maturity Date	Estimated Income	Bond Rating
43,119.42	\$43,119.42	\$43,119.42	Federated Government Obligations Fund Premier	0.00%	1/1/2018	\$509.47	
50,000.00	\$50,000.00	\$49,986.33	US Treasury Note Dtd 12/31/2015 1.000% Due 12/31/2017	1.00%	12/31/2017	\$500.00	AAA
30,000.00	\$30,007.53	\$29,820.60	GE Capital Retail Bank Draper UT CD Dtd 04/11/2014 1.500% Due 04/11/2018	1.50%	4/11/2018	\$450.00	FDIC
55,000.00	\$54,849.69	\$54,836.70	Ally Bank UT CD Dtd 05/11/2017 1.350% Due 11/13/2018	1.35%	11/13/2018	\$742.50	FDIC
70,000.00	\$69,600.02	\$70,000.00	MB Financial Bank NA IL CD Dtd 06/10/2016 1.100% Due 12/10/2018	1.10%	12/10/2018	\$770.00	FDIC
25,000.00	\$24,943.93	\$24,988.51	Whitney Bank/Ms LA CD Dtd 04/20/2017 1.650% Due 04/22/2019	1.65%	4/22/2019	\$412.50	FDIC
65,000.00	\$65,121.81	\$64,565.15	Synchrony Bank Draper UT CD Dtd 06/27/2014 2.050% Due 06/27/2019	2.05%	6/27/2019	\$1,332.50	FDIC
100,000.00	\$103,121.00	\$104,306.68	State of Washington WA UTGO Dtd 06/01/2010 4.019% Due 08/01/2019	4.02%	8/1/2019	\$4,019.00	AA+
125,000.00	\$125,642.63	\$124,142.00	State Bank Of India New York NY CD Dtd 10/17/2014 2.250% Due 10/17/2019	2.25%	10/17/2019	\$2,812.50	FDIC
70,000.00	\$69,233.85	\$70,000.00	American Express Centurion UT Dtd 12/01/2016 1.550% Due 12/02/2019	1.55%	12/2/2019	\$1,085.00	FDIC
87,000.00	\$85,078.26	\$86,475.39	Discover Bank DE CD Dtd 07/07/2016 1.200% Due 07/07/2020	1.20%	7/7/2020	\$1,044.00	FDIC
100,000.00	\$99,619.10	\$100,000.00	Everbank/Jacksonville FL CD Dtd 09/30/2015 2.000% Due 09/30/2020	2.00%	9/30/2020	\$2,000.00	FDIC
70,000.00	\$73,972.50	\$75,518.24	Washington County Clean Water OR Revenue Dtd 04/28/2010 4.628% Due 10/01/2020	4.63%	10/1/2020	\$3,239.60	AAA
80,000.00	\$78,904.48	\$80,000.00	Mb Financial Bank NA IL CD Dtd 12/14/2016 1.700% Due 12/14/2020	1.70%	12/14/2020	\$1,360.00	FDIC
70,000.00	\$70,412.30	\$69,811.00	Goldman Sachs Bank USA New York NY CD Dtd 01/28/2015 2.150% Due 01/28/2021	2.15%	1/28/2021	\$1,505.00	FDIC
70,000.00	\$68,545.26	\$70,000.00	Wells Fargo Bank NA SD CD Dtd 06/17/2016 1.750% Due 06/17/2021	1.75%	6/17/2021	\$1,225.00	FDIC
100,000.00	\$100,726.60	\$99,696.00	Synchrony Bank UT CD Dtd 09/04/2015 2.350% Due 09/07/2021	2.35%	9/7/2021	\$2,350.00	FDIC
120,000.00	\$119,247.48	\$120,000.00	State Bank India IL CD Dtd 12/13/2016 2.100% Due 12/13/2021	2.10%	12/13/2021	\$2,520.00	FDIC
70,000.00	\$70,252.98	\$70,000.00	State Bank Of India NY CD Dtd 02/24/2017 2.400% Due 02/24/2022	2.40%	2/24/2022	\$1,680.00	FDIC
60,000.00	\$61,047.60	\$64,040.76	City of Minneapolis MN UTGO Dtd 03/04/2014 2.900% Due 03/01/2022	2.90%	3/1/2022	\$1,740.00	AAA
50,000.00	\$52,438.50	\$54,415.28	State of Texas TX UTGO Dtd 09/29/2010 3.673% Due 04/01/2022	3.67%	4/1/2022	\$1,836.50	AAA
130,000.00	\$129,955.93	\$129,363.86	Goldman Sachs Bank USA NY CD Dtd 05/10/2017 2.350% Due 05/10/2022	2.35%	5/10/2022	\$3,055.00	FDIC
50,000.00	\$50,162.70	\$50,000.00	State Bank Of India NY CD Dtd 05/30/2017 2.450% Due 05/31/2022	2.45%	5/31/2022	\$1,225.00	FDIC
40,000.00	\$40,181.32	\$39,888.00	Synchrony Bank Salt Lake City UT CD Dtd 06/15/2012 2.650% Due 06/15/2022	2.65%	6/15/2022	\$1,060.00	FDIC
30,000.00	\$29,398.83	\$30,701.49	US Treasury Note Dtd 09/30/2015 1.750% Due 09/30/2022	1.75%	9/30/2022	\$525.00	AAA
50,000.00	\$49,443.30	\$49,438.00	Cit Bank UT CD Dtd 03/06/2013 2.300% Due 03/06/2023	2.30%	3/6/2023	\$1,150.00	FDIC
162,000.00	\$158,119.29	\$161,248.32	Discover Bank DE CD Dtd 04/06/2016 2.050% Due 04/06/2023	2.05%	4/6/2023	\$3,321.00	FDIC
75,000.00	\$84,257.25	\$84,693.10	New York City Transitional Finance Revenue Dtd 11/03/2010 4.905% Due 11/01/2024	4.91%	11/1/2024	\$3,678.75	AAA
\$2,047,119.42	\$2,057,403.56	\$2,071,054.83		2.28%	2/28/2021	\$47,148.32	



General Account

Transaction Summary as of 12/31/2017

Asset Sales/Maturities:	\$80,000	GE Capital Bank 1.45% on 9/27/17
Asset Purchases:	\$50,000	US Treasury Notes 1% due 12/31/17
Disbursements:	\$75	GOED Fed Ex bill on 7/12/17
	\$23	GOED Fed Ex bill on 7/20/17
	\$41	GOED AT&T bill on 7/20/17
	\$14,445	Clausen & Rice Professional Services on 11/3/2017
	\$79	GOED Fed Ex bill on 11/8/17
	\$1,825	Clausen & Rice Professional Services on 11/16/2017
	\$99	S & P Global Market
	\$34	GOED Fed Ex bill on 12/14/17
Receipts:	N/A	
Transfers:	\$11,198	Annual Fee Semi-Annual Inv Mgmt Fee to FNB on 11/02/17
	\$73	Transfer from Capital Reserve for May Adam payment
Interest Income received	\$23,848	



General Account

Performance Summary for Period Ending 12/31/2017

	1 YEAR	3 YEARS	5 YEARS	7 YEARS
TOTAL PORTFOLIO	1.33	1.55	1.37	1.51
BENCHMARK	0.99	1.13	0.96	1.37
FIXED/TAXABLE - PORTFOLIO	1.35	1.68	1.48	1.61
<i>Fixed ST: Merrill 1-5 Yr Govt/Credit Index</i>	<i>1.02</i>	<i>1.13</i>	<i>0.98</i>	<i>1.42</i>
CASH & EQUIV - PORTFOLIO	0.87	0.39	0.23	0.17
<i>Cash Equiv: Citigroup 1 Month T-Bill Index</i>	<i>0.80</i>	<i>0.34</i>	<i>0.22</i>	<i>0.17</i>
CPI-U (as of 11/30/17)	2.2	1.5	1.4	1.7

Returns are *gross* of fees. Returns over 1 year are annualized. Benchmark indices are not available for direct investment; their performance does not reflect the expenses associated with the management of an actual portfolio. Total returns are geometric and include the income and change in value of the investment assets over the time period shown. Past performance is no guarantee of future results. Investment products are not bank guaranteed, may lose value, and are not FDIC Insured.

Current benchmark is 100% Merrill US Corp & Govt 1-5 Year AA & above.

Prior to 1/1/2009 the benchmark was a blend of 80% 1-5 Year US Treasuries and 20% 1-3 Year US Corporate.



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SOUTH DAKOTA
ECONOMIC DEVELOPMENT FINANCE AUTHORITY

FINANCIAL REPORT

(Compiled)

December 31, 2017

CONTENTS

	<u>Page</u>
ACCOUNTANT'S COMPILATION REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statement of Net Assets	2
Statement of Revenues, Expenses and Changes in Fund Net Assets	3
Statement of Cash Flows	4

Clausen & Rice, LLP

Certified Public Accountants and Business Consultants

John E. Clausen, CPA

johnclausen.cpa@midconetwork.com

Daniel T. Rice, CPA

danrice.cpa@midconetwork.com

Accountant's Compilation Report

To the Board of Directors
South Dakota Economic Development Finance Authority
Pierre, South Dakota

Management is responsible for the accompanying financial statements of South Dakota Economic Development Finance Authority (a Non-Major Component Unit of the State of South Dakota) as of December 31, 2017, and the related statements of revenues, expenses and changes in net fund assets and cash flows for the six months then ended in accordance with accounting principles generally accepted in the United States of America. 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 audit or review the financial statements 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 these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Entity's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to South Dakota Economic Development Finance Authority.

Clausen & Rice, LLP

Pierre, South Dakota
January 11, 2018

**South Dakota
Economic Development Finance Authority
Statement of Net Position
December 31, 2017
See Accountant's Compilation Report**

ASSETS	
Cash and investments	9,926,363.78
Loans receivable - net of allowance of \$283,367	8,760,436.94
Loan interest receivable	37,400.70
Investment income receivable	30,451.17
Accounts Receivable	0.00
Deferred Charges	<u>0.00</u>
TOTAL ASSETS	<u><u>18,754,652.59</u></u>
LIABILITIES	
Accounts payable	116.00
Accrued Interest payable	113,514.38
Bonds payable	8,740,000.00
Long term loan escrow payable	859,051.31
Amounts held in custody for others	<u>0.00</u>
TOTAL LIABILITIES	<u><u>9,712,681.69</u></u>
NET POSITION	
Restricted for Debt Service	5,000,000.00
Unrestricted	<u>4,041,970.90</u>
TOTAL NET POSITION	<u><u>9,041,970.90</u></u>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>18,754,652.59</u></u>

South Dakota
Economic Development Finance Authority
Statement of Revenues, Expenses, & Changes in Net Position
For the Period Ending December 31, 2017
See Accountant's Compilation Report

	<u>Current Period Oct to Dec</u>	<u>Year to Date</u>
OPERATING REVENUE		
Interest income on loans	117,769.20	235,710.73
LESS OPERATING EXPENSES		
Administrative expenses	28,953.26	29,091.98
Interest expense	113,514.38	227,028.75
Refund to Institution	-	-
Payments to Loan Recipients	-	-
NET INCOME (LOSS) FROM OPERATIONS	<u>(24,698.44)</u>	<u>(20,410.00)</u>
NONOPERATING REVENUE		
Investment Income	<u>33,894.09</u>	<u>66,598.46</u>
NET INCOME (LOSS)	9,195.65	46,188.46
NET POSITION, BEGINNING	9,032,775.25	8,995,782.44
NET POSITION, ENDING	<u><u>9,041,970.90</u></u>	<u><u>9,041,970.90</u></u>

South Dakota
Economic Development Finance Authority
Statement of Cash Flows
For the Period Ending December 31, 2017
See Accountant's Compilation Report

	Current Period Oct to Dec	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	9,195.65	46,188.46
Adjustments to Reconcile Net Income to		
Net Cash provided from (used in) Operating Activities:		
(Increase) Decrease in Loans Receivable	109,874.53	222,512.93
(Increase) Decrease in Loan		
Interest Receivable	-	-
(Increase) Decrease in Investment		
Income Receivable	5,090.61	(1,443.15)
Increase (Decrease) in Accounts Payable	-	-
Increase (Decrease) in Accrued Interest Payable	(113,514.37)	-
Increase (Decrease) in Due to State General Fund	-	-
Increase (Decrease) in Due to Other Governments	-	-
Increase (Decrease) in Bonds Payable	-	-
Increase (Decrease) in Long Term Escrow Payable	3,599.19	5,951.95
Increase (Decrease) in Amounts		
Held in the Custody for Others	-	-
	14,245.61	273,210.19
NET INCREASE IN CASH AND INVESTMENTS		
CASH AND INVESTMENTS - BEGINNING	9,912,118.17	9,653,153.59
CASH AND INVESTMENTS - ENDING	9,926,363.78	9,926,363.78

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**Economic Development Finance Authority
March 1, 2018**

BILLS REQUIRING ACTION

First National Wealth Management	\$4,175.00
Department of Legislative Audit	\$6,175.00



First National Wealth Management

Located at The First National Bank in Sioux Falls®

December 05, 2017

Ashley Moore
South Dakota Governor's Office
of Economic Development
711 East Wells Avenue
Pierre, SD 57501-3369

RE: SDEDFA Investment Management Services

Dear Ashley:

The following is the semi-annual statement for investment services rendered in connection with the Investment Management Policy.

<u>Account Name</u>	November 30, 2017 <u>Account Balances</u> <u>(Thousands)</u>	<u>Semiannual</u> <u>Fee Amount</u>
81-2609-00-6 Capital Reserve	\$5,439	
81-2609-03-0 General Fund	<u>\$2,061</u>	
<u>Fee to be deducted from General Fund</u>		\$3,750
81-6508-036 Marmen Energy 2013	\$ 850	\$ 425
Total Fee Amount		<u>\$4,175</u>

These fees will be charged to the appropriate accounts upon the Board's approval.

If you have any questions, please contact me at (605) 335-5219 or fbolson@fnbsf.com

Sincerely,

F. Bert Olson
Vice President and Trust Officer



Finance Authority
Governor's Office of Economic Development
Dolly-Reed Plaza
Pierre SD 57501

From: Department of Legislative Audit
427 S. Chapelle
C/O 500 E. Capitol
Pierre, SD 57501-5070

For the audit of the fiscal affairs of the Finance Authority for the period ended June 30, 2017.

Total Hours: 93.0 hours

Non-billable General Fund: 0.0 hours

and 93.0 hours billable at the following rates:

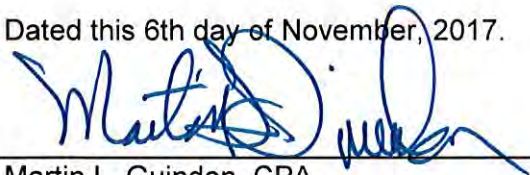
28.0 hours at the Fiscal 2017 rate of	\$65.00 per hour	\$1,820.00
65.0 hours at the Fiscal 2018 rate of	\$67.00 per hour	\$4,355.00
<u>93.0</u>		<u>\$6,175.00</u>

Cost Center Breakdown:

General Programs	<u>93.0 hours</u>	<u>\$6,175.00</u>
	93.0 hours	\$6,175.00

I declare and affirm under the penalties of perjury that this claim has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

Dated this 6th day of November, 2017.



Martin L. Guindon, CPA
Auditor General



427 SOUTH CHAPELLE
C/O 500 EAST CAPITOL
PIERRE SD 57501-5070
(605) 773-3595

MARTIN L. GUINDON, CPA
AUDITOR GENERAL

Remittance Advice

November 06, 2017

Finance Authority
Governor's Office of Economic Development
Dolly-Reed Plaza
Pierre, SD 57501

Total Billed: \$6,175.00

DLA Funding Information:

Company	Account	Center	Amount
1000	4523200	2880	
1000	4533100	2880	\$6,175.00
1000	4583100	2880	
1000	4583300	2880	
1000	4583500	2880	

Total Billed: \$6,175.00

When submitting payment please remove the check stubs from the warrant and do not staple or paper clip the warrant to the remittance advice; instead fold the warrant inside the form letter.

Please return remittance advice and payment in the enclosed addressed envelope to:

Remittance Center
P O Box 5055
Sioux Falls, SD 57117-5055