

**ECONOMIC DEVELOPMENT FINANCE AUTHORITY
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
FRIDAY, APRIL, 2017, 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. Watch List
- G. Oat Tech, Inc.
- H. 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
FRIDAY, APRIL 21, 2017, 9:30 A.M. CT**

Motion Sheet

**Board
Members**

Terry Nelson

Gerrit Juffer

Jody Engel

Casey
Derflinger

Ron Wagner

Jeff Erickson

Don
Kettering

Trustees

Bert Olson

Liz
Woodsend

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 December 8, 2016 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 taken.

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

Motion made by _____ and seconded by _____.

Old Business

Oat Tech, Inc.

Motion to approve a moratorium for payments from February through June 2017 to allow the company to continue to sell equipment and allow staff to engage the Liquidation Specialist.

Motion made by _____ and seconded by _____.

Bills

Motion to approve the bill to First National Trust and Investment Management Services in the amount of \$4,128.

Motion made by _____ and seconded by _____.

Adjourn

Motion made by _____ and seconded by _____.

**ECONOMIC DEVELOPMENT FINANCE AUTHORITY
GOED LARGE CONF. ROOM, 711 E WLLS AVE, PIERRE, SD
FRIDAY, APRIL 21, 2017, 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**
- 9:50 A.M. Commissioner's Comments
- 9:55 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.
- 10:15 A.M. **Report from Executive Session**
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.
- Other Motions
Oat Tech, Inc.
Bills
First National Trust and Investment Management Services - \$4,128

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.

**Economic Development Finance Authority
GOED Conference Room, 711 E Wells Ave, Pierre, SD
Thursday, December 8, 2016, 9:30 A.M. CT**

Members Present

Chairman Terry Nelson, Gerrit Juffer, Jody Engel, Casey Derflinger, Ron Wagner and Don Kettering

Staff Present

Cassie Stoesser, Ashley Moore, LaJena Gruis, Dale Knapp and Katelyn Hump

Call to Order

Chairman Nelson called the meeting to order at 9:30 a.m.

Agenda

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

Motion passed by a roll call vote.

Minutes

A motion was made by Casey Derflinger and seconded by Jody Engel to approve the minutes of October 14, 2016, as presented.

Motion passed by a roll call vote.

Executive Session

A motion was made by Jody Engel and seconded by Ron Wagner to enter into executive session at 9:32 a.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 9:55 a.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 taken.

A motion was made by Don Kettering and seconded by Ron Wagner to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Loan Review

Donnerite SD Co.

A motion was made by Don Kettering and seconded by Casey Derflinger to approve the loan review and recommendation as discussed.

Motion passed by a roll call vote.

Old Business

Oat Tech, Inc.

A motion was made by Ron Wagner and seconded by Don Kettering to approve a three month moratorium on payments as presented.

Motion passed by a roll call vote.

Bills

A motion was made by Jody Engel and seconded by Gerrit Juffer to approve the bill to Department of Legislative Audit in the amount of \$9,098.75.
Motion passed by a roll call vote.

Adjourn

A motion was made by Jody Engel and seconded by Ron Wagner to adjourn the meeting at 9:58 a.m.
Motion passed by a roll call vote.

Ron Wagner, Secretary/Treasurer



First National
Trust and Investment
Management Services

Located at The First National Bank in Sioux Falls

South Dakota Economic Development Finance Authority

Investment Review

as of

December 31, 2016

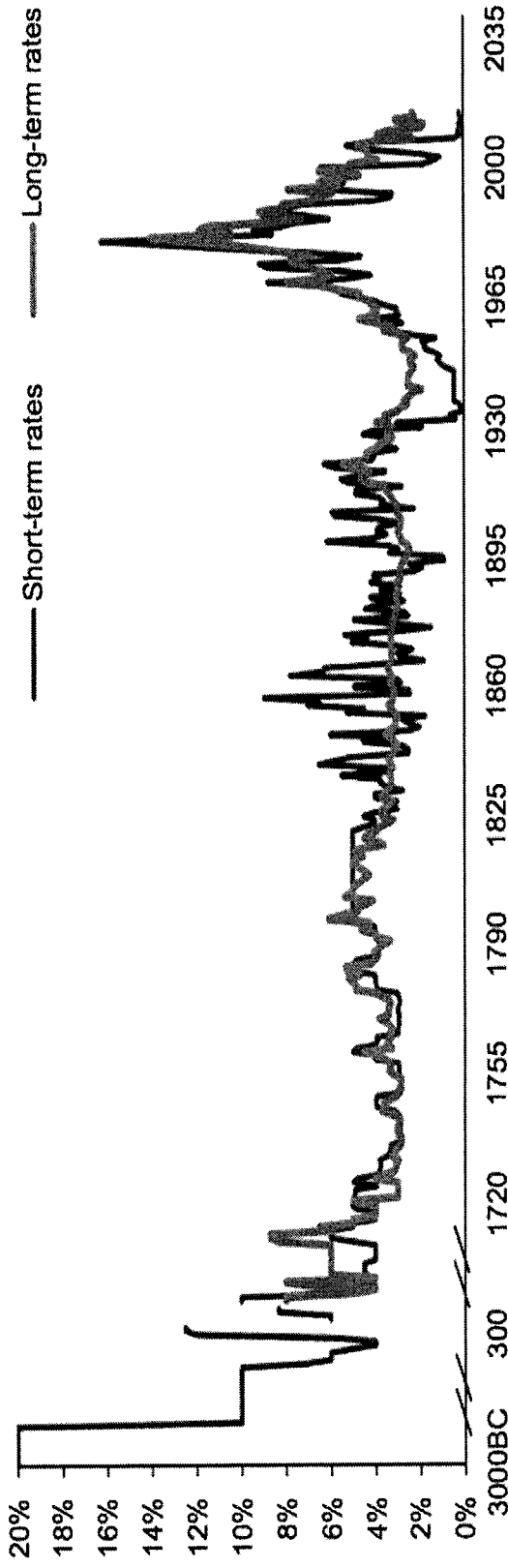
Elizabeth Woodsend, Corporate Trust Officer
Matt Adamson, CFA, Investment Portfolio Manager



Why are Interest Rates So Low?

Per *A History of Interest Rates* by Sidney Homer, we now have the lowest interest rates in 5,000 years of recorded history

Chart 1: Still the lowest interest rates in 5000 years!



Sources: Bank of England, Global Financial Data, Homer and Sylla 'A History of Interest Rates'

Note: the intervals on the x-axis change through time up to 1700. From 1700 onwards they are annual intervals. Full methodology available upon request

- As of October 11th, \$19 trillion out of \$78 trillion (24%) of total outstanding global bonds have a negative yield-to-maturity*

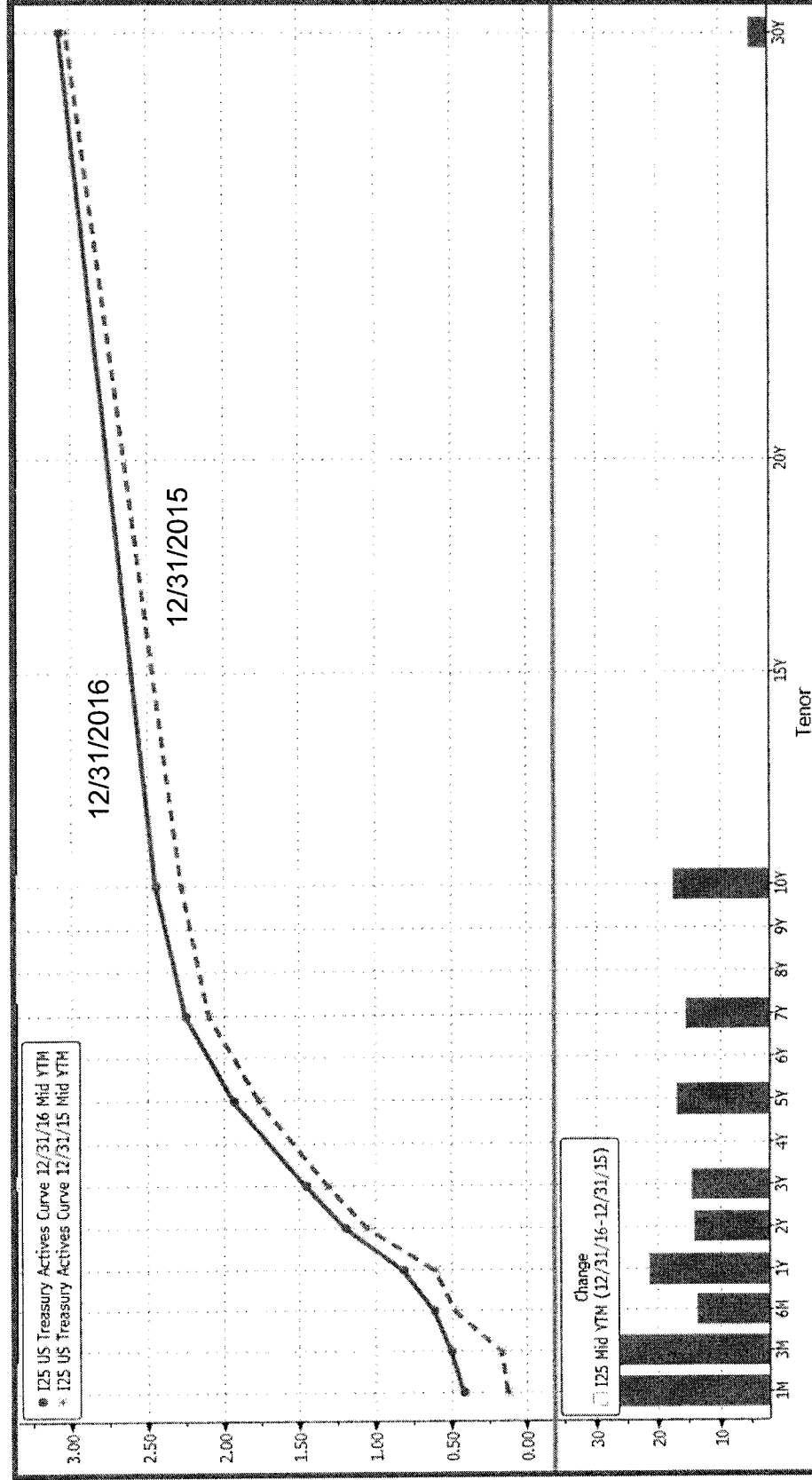
Why are Interest Rates So Low?

- Supply & demand and inflation premium
- Confluence of factors causing low/negative rates:
 - Global monetary policy. Low/negative ST target rates and asset purchases (QE)
 - Low expectations for GDP growth
 - Reduces income prospects → decreases spending today → increases demand for savings
 - Demographic changes
 - More people retiring → lower income → increases demand for savings
 - Weak business investment
 - Low expected inflation
- What could cause interest rates to increase?
 - Better than expected economic growth
 - Higher than expected inflation
- We are cautious towards any asset that trades based on yield or that has a high stated yield. Examples: long-term bonds, REITs, Utility stocks, leveraged closed-end funds, etc.

*Source: Bloomberg, Credit Suisse Fixed Income Team

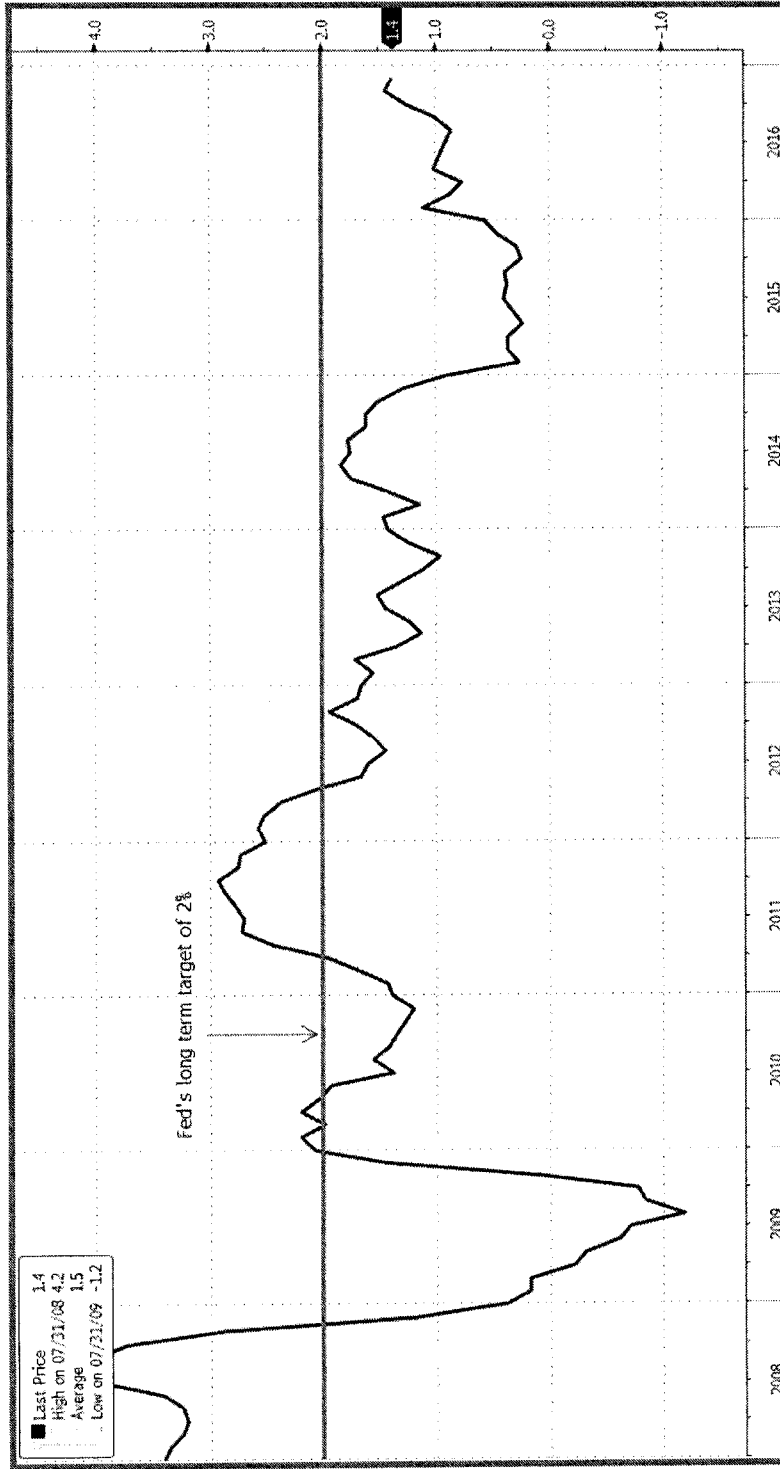
Treasury Yield Movement

12/31/2015 - 12/31/2016



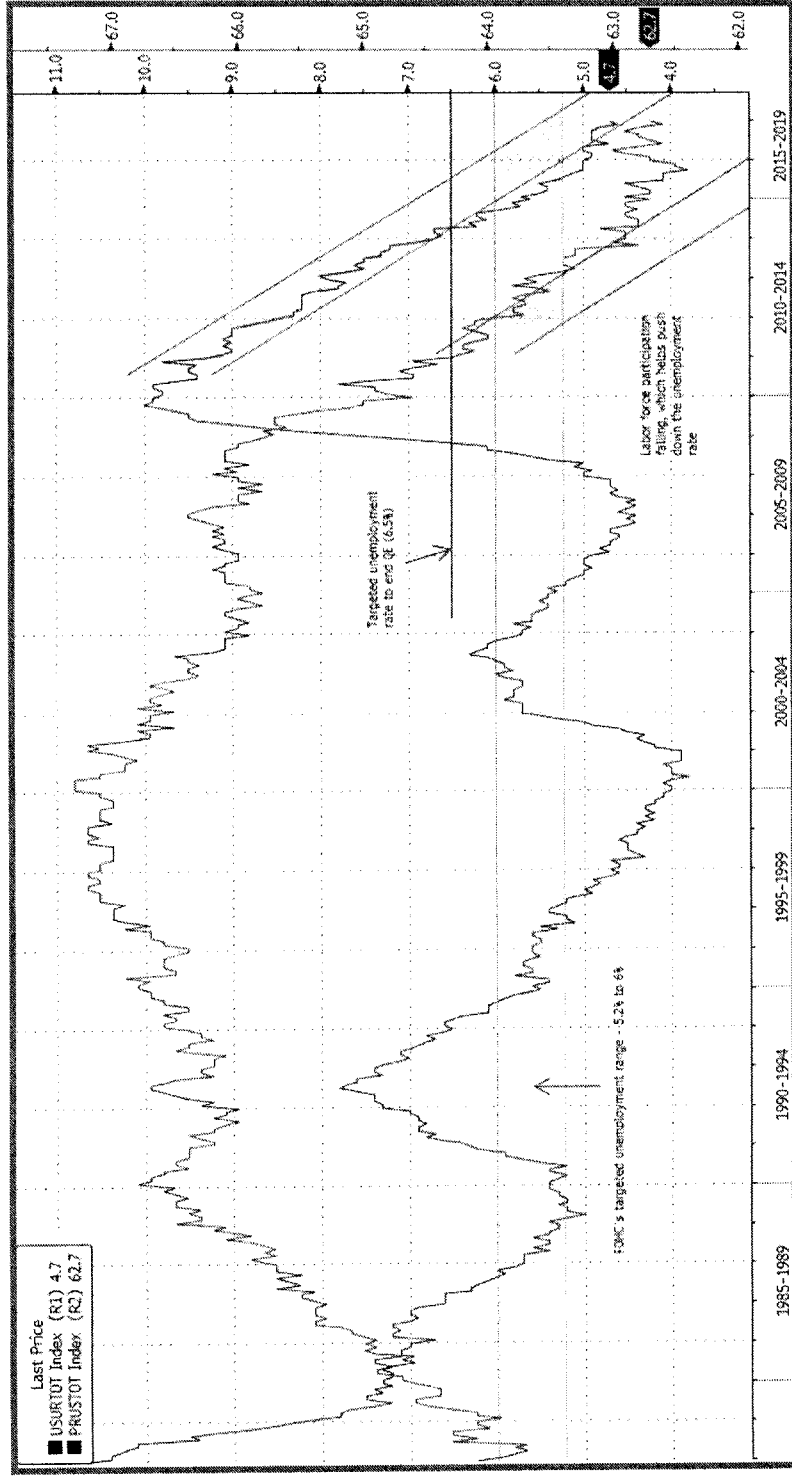
Source: Bloomberg

Inflation - PCE Index



PCE inflation has been fairly stable over the last two years with the last reported year over year PCE coming in at 1.4%, which is below the Fed's long term target. Market based inflation estimates have increased as of late, but most are still below 2%. The low inflation environment suggests that monetary policy should remain loose, while an improving labor market suggests tightening is in order. Expect the Fed to continue their "wait and see" approach until employment indicators meaningfully improve.

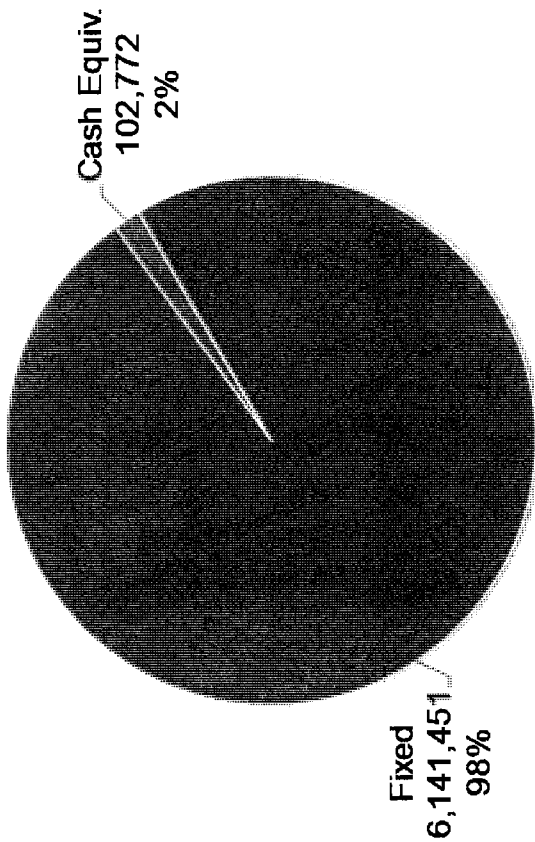
Unemployment & Labor Force Participation



Unemployment continues its post-recession fall, albeit at a slowing pace. The seasonally adjusted rate (U3) has fallen from 5.6% at the end of 2014 to 4.7% as of December 31, 2016. Additionally, the U6 unemployment rate, which includes discouraged workers and part-time for economic reasons, ended December at 9.2%, down from 11.2% at the end of 2014. Labor force participation has generally fallen during the recovery, but has now stabilized which is a positive sign for the labor market. The declining participation rate has been a major factor in the fall of the unemployment rate since 2009. We believe this is mostly due to demographic reasons (new retirees) rather than economic pressure.

Reserve Accounts

Asset Allocation as of 12/31/2016



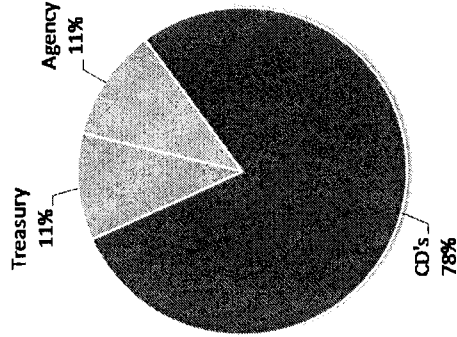
Portfolio Market Value: \$6,244,223

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

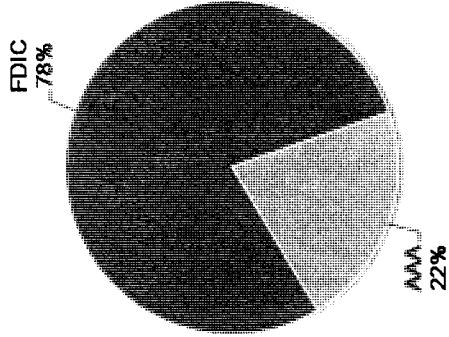
Reserve Accounts

Fixed Income Characteristics as of 12/31/2016

Fixed Income Allocation



Quality Breakout



Fixed Income Characteristics	
Fixed Income Market Value ^A	\$6,141,451
Estimated Income From Fixed ^B	\$65,875
Estimated Income Divided by Market Value ^C	1.07%
Weighted Average Fixed Yield*	0.95%
Weighted Duration (Years)	0.97

Note: Estimated Income Divided by Market Value is calculated by $c = \frac{p}{1}$

*Weighted Average Fixed 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 12/31/2016

Par Value	Market Value	Book Value	Asset Name	Coupon Rate	Maturity Date	Estimated Income	Bond Rating
102,771.39	\$102,771.39	102,771.39	Federated Government Obligations Fund Premier	0.00%	1/1/2017	\$421.36	
105,000.00	\$105,018.69	104,723.85	Capital One Bank USA NA Glen Allen VA CD Dtd 01/22/2015 0.850% Due 01/23/2017	0.85%	1/23/2017	\$892.50	FDIC
145,000.00	\$145,095.85	144,782.50	Goldman Sachs Bank USA New York NY CD Dtd 02/25/2015 1.000% Due 02/27/2017	1.00%	2/27/2017	\$1,450.00	FDIC
250,000.00	\$250,141.50	250,108.91	US Treasury Note Dtd 03/17/2014 0.750% Due 03/15/2017	0.75%	3/15/2017	\$1,875.00	AAA
249,000.00	\$249,106.57	249,000.00	Cedar Rapids Bank & Trust Cedar Rapids IA CD Dtd 05/22/2015 0.750% Due 03/22/2017	0.75%	3/22/2017	\$1,867.50	FDIC
115,000.00	\$115,073.60	114,962.05	Bank Leumi USA New York NY CD Dtd 03/23/2015 0.850% Due 03/23/2017	0.85%	3/23/2017	\$977.50	FDIC
230,000.00	\$230,140.76	230,000.00	Bmo Harris Bank NA IL CD Dtd 09/30/2015 0.900% Due 03/30/2017	0.90%	3/30/2017	\$2,070.00	FDIC
55,000.00	\$55,046.97	54,822.35	Ally Bank Midvale UT CD Dtd 04/23/2015 0.800% Due 04/24/2017	0.80%	4/24/2017	\$440.00	FDIC
45,000.00	\$45,063.72	45,084.78	Fannie Mae Dtd 07/25/2012 1.000% Due 04/25/2017	1.00%	4/25/2017	\$450.00	AAA
95,000.00	\$95,070.02	94,901.20	Merrick Bank South Jordan UT CD Dtd 05/11/2015 0.850% Due 05/11/2017	0.85%	5/11/2017	\$807.50	FDIC
205,000.00	\$205,152.32	204,483.40	Cardinal Bank NA Mclean VA CD Dtd 05/15/2015 0.800% Due 05/15/2017	0.80%	5/15/2017	\$1,640.00	FDIC
115,000.00	\$115,249.90	114,971.25	Zions First Natl Bank UT CD Dtd 08/18/2015 1.100% Due 08/15/2017	1.10%	8/15/2017	\$1,265.00	FDIC
248,000.00	\$248,566.18	247,742.08	Capital One NA VA CD Dtd 08/19/2015 1.250% Due 08/21/2017	1.25%	8/21/2017	\$3,100.00	FDIC
245,000.00	\$245,574.04	244,652.10	Ally Bank UT CD Dtd 08/27/2015 1.250% Due 08/28/2017	1.25%	8/28/2017	\$3,062.50	FDIC
247,000.00	\$247,744.46	246,621.43	Compass Bank AL CD Dtd 08/31/2015 1.300% Due 08/31/2017	1.30%	8/31/2017	\$3,211.00	FDIC
95,000.00	\$95,174.04	95,000.00	MB Financial Bank NA IL CD Dtd 02/11/2016 0.950% Due 09/11/2017	0.95%	9/11/2017	\$902.50	FDIC
107,000.00	\$107,227.27	106,670.44	BMW Bank North America UT CD Dtd 10/16/2015 1.150% Due 10/16/2017	1.15%	10/16/2017	\$1,230.50	FDIC
193,000.00	\$193,397.00	192,826.30	Ally Bank UT CD Dtd 10/29/2015 1.150% Due 10/30/2017	1.15%	10/30/2017	\$2,219.50	FDIC
248,000.00	\$248,509.89	247,526.32	American Express Centurion UT CD Dtd 10/28/2015 1.200% Due 10/30/2017	1.20%	10/30/2017	\$2,976.00	FDIC
240,000.00	\$240,513.12	239,534.40	Capital One Bank USA NA VA CD Dtd 10/28/2015 1.200% Due 10/30/2017	1.20%	10/30/2017	\$2,880.00	FDIC
125,000.00	\$125,495.00	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	\$99,736.20	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	\$159,552.32	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	\$125,151.63	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
150,000.00	\$149,566.35	150,007.76	US Treasury Note Dtd 04/01/2013 0.750% Due 03/31/2018	0.75%	3/31/2018	\$1,125.00	AAA
125,000.00	\$125,005.88	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	\$144,507.73	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
89,000.00	\$88,563.19	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	\$124,387.25	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	\$2,604.00	FDIC
248,000.00	\$246,536.55	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	\$124,520.25	124,720.00	Merrick Bank UT CD Dtd 11/09/2016 1.100% Due 11/08/2018	1.10%	11/8/2018	\$1,375.00	FDIC
250,000.00	\$250,380.75	250,849.61	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	\$387,902.13	388,561.25	Fannie Mae Dtd 10/01/2013 1.625% Due 11/27/2018	1.63%	11/27/2018	\$6,256.25	AAA
120,000.00	\$119,931.72	120,000.00	BMW Bank North America UT Dtd 11/30/2016 1.300% Due 11/30/2018	1.30%	11/30/2018	\$1,560.00	FDIC
147,000.00	\$147,037.63	147,000.00	Everbank/Jacksonville FL Dtd 12/09/2016 1.350% Due 12/07/2018	1.35%	12/7/2018	\$1,984.50	FDIC
250,000.00	\$249,484.25	249,125.00	Fannie Mae Dtd 11/03/2015 1.125% Due 12/14/2018	1.13%	12/14/2018	\$2,812.50	AAA
6,241,771.39	6,244,222.78	6,239,909.97		1.06%	1/4/2018	\$66,296.61	



First National
Trust and Investment
Management Services

Reserve Accounts

Detailed Summary as of 12/31/2016

	Capital Reserve	Marmen Energy 2013A	TOTAL
Certificates of Deposit			
Capital One Bk Glen Allen VA CD dtd 1/22/15 .85%, due 1/23/17	\$105	---	\$105
Goldman Sachs Bank N'Y NY CD dtd 2/25/15 1%, due 2/27/17	\$145	---	\$145
Cedar Rapid Bank & Trust CD .75%, due 3/22/17	\$249	---	\$249
Bank Leumi NY NY CD dtd 3/23/15 .85%, due 3/23/17	\$115	---	\$115
BMO Harris Bk IL CD dtd 9/30/15 .90%, due 9/30/17	\$230	---	\$230
Ally Bank Midvale UT CD dtd 4/23/15 .80%, due 4/24/17	\$55	---	\$55
Merrick Bk South Jordan UT CD dtd 5/11/15 .85%, due 5/11/17	\$95	---	\$95
Cardinal Bk McLean VA CD dtd 5/15/15 .80%, due 5/15/17	\$205	---	\$205
Zions First Natl Bk UT CD dtd 8/18/15 1.1%, due 8/15/17	\$115	---	\$115
Capital One VA CD dtd 8/19/15 1.25%, due 8/21/17	\$248	---	\$248
Ally Bk UT CD dtd 8/27/15 1.25%, due 8/28/17	---	\$245	\$245
Compass Bk Birmingham AL CD dtd 8/31/15 1.3%, due 8/31/17	\$150	\$97	\$247
MB Fincl Bk IL CD dtd 2/11/16 .95%, due 9/11/17	\$95	---	\$95
BMW Bk Salt Lake City UT CD dtd 10/16/15 1.150% due 10/16/17	\$107	---	\$107
Ally Bank Midvale UT CD dtd 10/29/15 1.15% due 10/30/17	\$193	---	\$193
American Exp Centurion Salt Lk Cty UT CD dtd 10/28/15 1.2% due 10/30/17	---	\$248	\$248

Reserve Accounts

Detailed Summary as of 12/31/2016

	Capital Reserve	Marmen Energy 2013A	TOTAL
Certificates of Deposit			
Capital One Bk cd dtd 10/28/15	--	\$240	\$240
1.2% due 10/30/17			
Israel Discount Bk NY CD dtd 1/13/16	\$125	--	\$125
1.25%, due 1/16/18			
Sallie Mae Bk Salt Lk UT CD dtd 8/10/16	\$100	--	\$100
.90%, due 2/12/18			
Private Bk & Trust IL CD dtd 8/29/16	\$160	--	\$160
.85%, due 2828/18			
Comenity Capital Bk UT CD dtd 2/29/16	\$125	--	\$125
1%, due 3/1/18			
Zions First Natl Bk UT CD dtd 4/7/16	\$125	--	\$125
.90%, due 4/5/18			
Luana Savings Bk IA cd dtd 7/8/16	\$238	--	\$238
.80%, due 5/8/18			
Sallie Mae Bank Salt Lk UT cd dtd 7/13/16	\$145	--	\$145
.90%, due 7/13/18			
Wells Fargo Bk CD dtd 8/17/16	\$89	--	\$89
1.05%, due 8/17/18			
Capital One Bk CD dtd 8/24/16	\$125	--	\$125
1.1%, due 8/24/18			
Brookline Bk MA CD dtd 9/29/16	\$248	--	\$248
1.05%, due 9/28/18			
Merrick Bk UT CD dtd 11/8/16	\$125	--	\$125
1.1%, due 11/8/18			
BMW Bk UT CD dtd 11/30/16	\$120	--	\$120
1.3%, due 11/30/18			
Everbank Jacksonville FL CD dtd 12/9/16	\$147	--	\$147
1.35%, due 12/7/18			
T total	\$3,979	\$830	\$4,809

Reserve Accounts

Detailed Summary as of 12/31/2016

	Capital Reserve	Marmen Energy 2013A	TOTAL
US Government & Agencies			
US Treasury Nt dtd 3/17/14 .75%, due 3/15/17	\$250	---	\$250
Fannie Mae Bond dtd 7/25/12 1%, due 4/25/17	\$45	---	\$45
US Treasury Nt dtd 4/1/13 .75%, due 3/31/18	\$150	---	\$150
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
Total	\$1,330	\$0	\$1,330
Total Certificates of Deposit			
Total US Government Agencies	\$3,979	\$830	\$4,809
Federated MM	\$1,330	\$0	\$1,330
TOTAL ASSETS	\$82	\$21	\$103
	\$5,391	\$851	\$6,242

Reserve Accounts

Transaction Summary as of 12/31/2016

Asset Sales/Maturities:	
\$155,000	Stearns Fincl Services St Cloud MN CD .50%, Matured 7/1/16
\$79,000	Barclays Bk Wilmington DE CD .65%, Matured 7/5/16
\$141,000	BMW Bk Salt Lake Cty, UT CD .70%, Matured 7/18/16
\$248,000	Safra Ntl Bk New York CD, .65%, Matured 8/1/16
\$120,000	Capital One Bk Glen Allen VA CD, .70%, Matured 9/6/16
\$100,000	Fannie Mae 5.25%, Matured 9/15/16
\$247,000	Fannie Mae 1.25%, Matured 9/28/16
\$350,000	Fannie Mae 1.375% Matured 11/15/16
\$250,000	Fannie Mae .625% Matured 11/28/16
\$229,000	State Bk India CD .70% Matured 11/28/16
\$175,000	American Express Centurion CD 1.05% Matured 12/4/16
\$50,000	US Treasury .625% Matured 12/15/16
\$200,000	First Niagara Bk NY CD .80% Matured 12/16/16
Asset Purchases:	
\$238,000	Luana Svgs Bk CD .80%, on 7/8/16
\$145,000	Sallie Mae Bk Salt Lake Cty, UT CD .90%, on 7/21/16
\$100,000	Sallie Mae Bk Salt Lake Cty, UT CD .90%, on 8/10/16
\$160,000	Private Bank IL CD .85%, on 8/29/16
\$125,000	Capital One Bk Glen Allen VA CD, 1.1%, on 9/15/16
\$89,000	Wells Fargo Bk CD, 1.05%, on 9/22/16
\$248,000	Brookline Bk CD 1.05%, on 10/3/16
\$250,000	US Treasury 1.25%, on 11/21/16
\$125,000	Merrick Bk UT CD 1.1%, on 11/23/16
\$120,000	BMW Bank North America 1.3%, on 11/30/16
\$385,000	Fannie Mae 1.625%, on 12/7/16
\$147,000	Everbank Jacksonville FL CD 1.35%, on 12/9/16
\$250,000	Fannie Mae 1.125%, on 12/19/16
Disbursements:	N/A
Receipts:	N/A
Transfers:	\$847
Interest Income Received:	\$34,600
	Two Semi-Annual Invt Mgmt Fees from Marmen Reserve Acct

Reserve Accounts

Performance Summary for Period Ending 12/31/2016

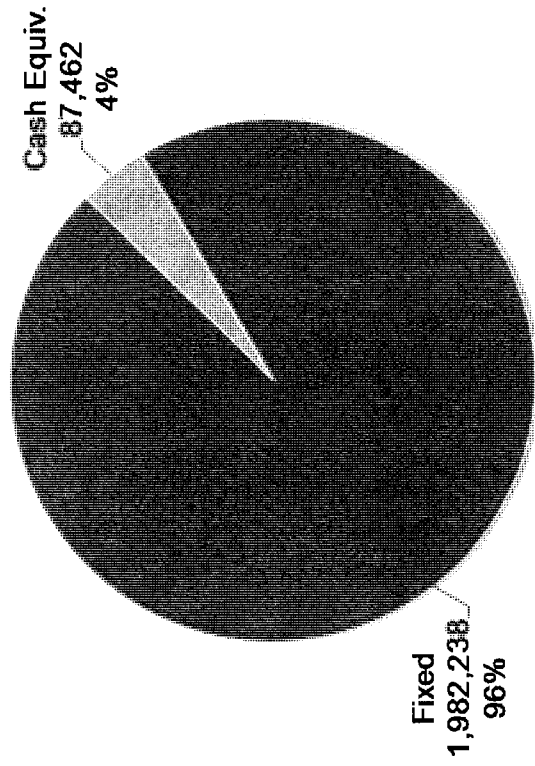
	1 YEAR	3 YEARS	5 YEARS	7 YEARS
TOTAL PORTFOLIO (Net of Fees)	1.01	0.73	0.73	0.82
BENCHMARK	0.57	0.40	0.34	0.53
FIXED/TAXABLE - PORTFOLIO	1.05	0.76	0.75	0.84
<i>Fixed ST: Merrill 0-3 Month T-Bill Index</i>	0.25	0.10	0.08	0.09
<i>Fixed ST: Merrill Treasury/Agency 1-3 Year Index</i>	0.89	0.69	0.59	0.97
CASH & EQUIV - PORTFOLIO	0.33	0.11	0.07	0.05
<i>Cash Equiv: Citigroup 1 Month T-Bill Index</i>	0.21	0.08	0.07	0.07
CPI-U (as of 11/30/16)	1.7	1.2	1.3	1.6

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 12/31/2016



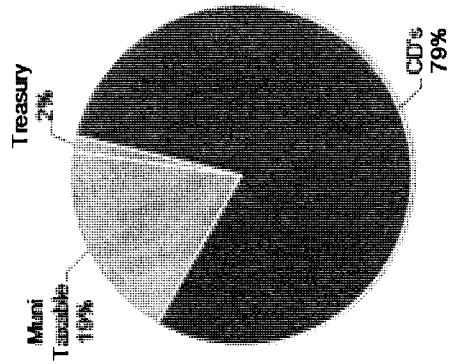
Portfolio Market Value: \$2,069,700

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

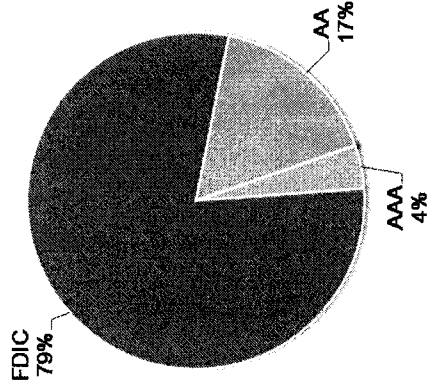
General Account

Fixed Income Characteristics as of 12/31/2016

Fixed Income Allocation



Quality Breakout



Fixed Income Characteristics	
Fixed Income Market Value ^A	\$1,982,238
Estimated Income From Fixed ^B	\$43,368
Estimated Income Divided by Market Value ^C	2.19%
Weighted Average Fixed Yield*	1.74%
Weighted Duration (Years)	3.25

Note: Estimated Income Divided by Market Value is calculated by $C = \frac{B}{A}$

*Weighted Average Fixed 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 12/31/2016

Par Value	Market Value	Book Value	Asset Name	Coupon Rate	Maturity Date	Estimated Income	Bond Rating
87,461.69	\$87,461.69	87,461.69	Federated Government Obligations Fund Premier	0.00%	1/1/2017	\$358.59	
74,000.00	\$74,000.00	74,000.00	Home Federal Bank CD #6470052 Date 04/30/15 .85% Due 04/30/17	0.85%	4/30/2017	\$629.00	FDIC
105,000.00	\$105,426.72	104,984.25	World Financial Capital Bank Salt Lake City UT CD Dtd 05/08/2012 1.500% Due 05/08/2017	1.50%	5/8/2017	\$1,575.00	FDIC
80,000.00	\$80,325.44	79,545.60	GE Capital Bank Salt Lake City UT CD Dtd 09/27/2013 1.450% Due 09/27/2017	1.45%	9/27/2017	\$1,160.00	FDIC
70,000.00	\$70,382.76	69,495.30	Medallion Bank Salt Lake City UT CD Dtd 11/08/2013 1.400% Due 11/08/2017	1.40%	11/8/2017	\$980.00	FDIC
30,000.00	\$30,142.92	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
70,000.00	\$69,680.31	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
65,000.00	\$65,856.31	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	\$106,196.00	105,633.00	State of Washington WA UTGO Dtd 06/01/2010 4.019% Due 08/01/2019	4.02%	8/1/2019	\$4,019.00	FDIC
125,000.00	\$127,476.88	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	\$70,005.25	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	\$85,518.65	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	\$100,850.60	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	\$75,789.70	76,171.90	Washington County Clean Water OR Revenue Dtd 04/28/2010 4.628% Due 10/01/2020	4.63%	10/1/2020	\$3,239.60	FDIC
80,000.00	\$79,639.68	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	\$71,480.71	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	\$68,954.90	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	\$101,957.00	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	\$120,112.68	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
60,000.00	\$61,680.60	64,441.20	City of Minneapolis MN UTGO Dtd 03/04/2014 2.900% Due 03/01/2022	2.90%	3/1/2022	\$1,740.00	FDIC
50,000.00	\$52,977.00	54,864.00	State of Texas TX UTGO Dtd 09/29/2010 3.673% Due 04/01/2022	3.67%	4/1/2022	\$1,836.50	FDIC
40,000.00	\$40,682.12	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	\$29,431.65	30,767.75	US Treasury Note Dtd 09/30/2015 1.750% Due 09/30/2022	1.75%	9/30/2022	\$525.00	AAA
50,000.00	\$50,096.20	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	\$159,806.52	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	\$83,767.50	85,302.00	New York City Transitional Finance Revenue Dtd 11/03/2010 4.905% Due 11/01/2024	4.91%	11/1/2024	\$3,678.75	FDIC
2,040,461.69	2,069,699.79	2,067,751.15		2.13%	6/27/2020	\$43,726.44	

General Account

Transaction Summary as of 12/31/2016

Asset Sales/Maturities:

\$132,000	Crescent Bk & Trust New Orleans CD, .90%, Matured 5/31/16
\$87,000	Discover Bk Greenwood DE CD 1.05%, Matured 8/8/16
\$70,000	American Exp Centurion Bk Salt Lk UT CD 1.15%, Matured 9/6/16
\$100,000	Home Federal Bk CD 1.35%, Matured 9/22/16
\$101,000	Essa Bk & Tr Stroudsburg PA CD 1%, Matured 11/30/16
\$45,000	Barclays Bank Delaware CD 2.1%, Matured 12/21/16

Asset Purchases:

\$70,000	MB Fincl Bk CD, 1.10% on 6/10/16
\$70,000	Wells Fargo Bk CD 1.75%, on 6/17/16
\$87,000	Discover Bk Greenwood DE CD 1.2%, on 8/11/16
\$30,000	US Treasury Note 1.75%, on 9/27/16
\$60,000	City of Mpls Bond 2.9%, on 9/29/16
\$50,000	State of Tx Bond 3.673%, on 9/29/16
\$75,000	NY City Transitional Fin Bd 4.905% on 11/25/16
\$70,000	Washington City Clean Water Bd 4.628%, on 11/28/16
\$100,000	St of Washington Bondd 4.019%, on 11/28/16
\$70,000	American Express Centurion CD 1.55%, on 12/1/16
\$120,000	State Bk of India IL CD 2.1%, on 12/13/16
\$80,000	Mb Fincl Bk CD, 1.70% on 12/14/16
\$50,000	Cit Bank UT CD 2.3%, on 12/29/16

Disbursements:

\$3,250	Clausen & Rice Professional Services on 5/2/16
\$15	May Adam Gerdes & Thompson - 6/20/16
\$2,000	Dorsey & Whitney - Spearfish Legal Services on 7/18/16
\$2,350	Grant Thornton Spearfish arb calcs on 7/22/16
\$37	Dept of Tourism - June AT&T - 7/22/16
\$72	May Adam Gerdes & Thompson - 10/5/16
\$29	May Adam Gerdes & Thompson - 10/19/16
\$13,475	Clausen & Rice Professional Services - 11/3/16
\$34	Dept of Tourism - Oct AT&T - 11/17/16
\$119	S&P Capital - 11/18/16
\$9,099	Dept of Legislative Audit Professional Services - 12/9/16
\$1,925	Clausen & Rice Professional Services - 12/20/16
\$58	May Adam Gerdes & Thompson - 12/27/16

Receipts:

\$2,350	From Spearfish Forest for Grant Thornton Fees on 6/1/16
\$2,000	From Spearfish Forest for Dorsey Whitney Fees on 6/1/16

Transfers:

\$3,438	Semi-Annual Invmt Mgmt Fee to FNB on 6/17/16
\$3,455	Semi-Annual Invmt Fee to FNB on 6/17/16
\$470,866	From Capital Reserve Excess Fund to close acct on 10/18/16
\$74	From Cap Reserve Excess Fund to close acct on 11/15/16
\$6,911	Annual Trustee Fee to FNB on 10/19/16
\$74,000	Home Federal Bank CD .85% From Cap Res Ex Fd on 10/25/16

Interest Income Received:

\$13,700	
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General Account

Performance Summary for Period Ending 12/31/2016

	1 YEAR	3 YEARS	5 YEARS	7 YEARS
TOTAL PORTFOLIO	1.61	1.44	1.44	1.61
BENCHMARK	1.38	1.24	1.14	1.77
FIXED/TAXABLE - PORTFOLIO	2.13	1.68	1.61	1.75
<i>Fixed ST: Merrill 1-5 Yr Govt/Credit Index</i>	1.30	1.26	1.17	1.82
CASH & EQUIV - PORTFOLIO	0.30	0.10	0.06	0.04
<i>Cash Equiv: Citigroup 1 Month T-Bill Index</i>	0.21	0.08	0.07	0.07
CPI-U (as of 11/30/16)	1.7	1.2	1.3	1.6

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 11/1/2009 the benchmark was a blend of 80% 1-5 Year US Treasuries and 20% 1-3 Year US Corporate.

SOUTH DAKOTA
ECONOMIC DEVELOPMENT FINANCE AUTHORITY

FINANCIAL REPORT
(Compiled)
December 31, 2016

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

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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, 2016, 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
February 9, 2017

South Dakota
Economic Development Finance Authority
Statement of Net Position
December 31, 2016
See Accountant's Compilation Report

ASSETS

Cash and investments	9,709,382.46
Loans receivable - net of allowance of \$283,367	9,263,549.68
Loan interest receivable	38,578.52
Investment income receivable	24,324.47
Accounts Receivable	0.00
Deferred Charges	0.00
	0.00
TOTAL ASSETS	19,035,835.13

LIABILITIES

Accounts payable	4,387.15
Accrued Interest payable	115,058.13
Due to other governments	0.00
Bonds payable	9,120,000.00
Long term loan escrow payable	850,853.35
Amounts held in custody for others	0.00
	0.00
TOTAL LIABILITIES	10,090,298.63

NET POSITION

Restricted for Debt Service	5,000,000.00
Unrestricted	3,945,536.50
	3,945,536.50
TOTAL NET POSITION	8,945,536.50

TOTAL LIABILITIES AND NET POSITION	19,035,835.13
	19,035,835.13

South Dakota
Economic Development Finance Authority
Statement of Revenues, Expenses, & Changes in Net Position
For the Period Ending December 31, 2016
See Accountant's Compilation Report

	<u>Current Period Oct. to Dec.</u>	<u>Year to Date</u>
OPERATING REVENUE		
Interest income on loans	120,184.03	241,254.39
LESS OPERATING EXPENSES		
Administrative expenses	32,922.16	37,309.31
Interest expense	116,987.97	231,224.67
Refund to Institution	-	-
Payments to Loan Recipients	-	-
NET INCOME (LOSS) FROM OPERATIONS	(29,726.10)	(27,279.59)
NONOPERATING REVENUE		
Investment Income	23,843.81	45,752.87
NET INCOME (LOSS)	(5,882.29)	18,473.28
NET POSITION, BEGINNING	8,951,418.79	8,927,063.22
NET POSITION, ENDING	<u>8,945,536.50</u>	<u>8,945,536.50</u>

South Dakota
Economic Development Finance Authority
Statement of Cash Flows
For the Period Ending December 31, 2016
See Accountant's Compilation Report

	Current Period Oct. to Dec.	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	(5,882.29)	18,473.28
Adjustments to Reconcile Net Income to Net Cash provided from (used in) Operating Activities:		
(Increase) Decrease in Loans Receivable	112,456.02	225,861.24
(Increase) Decrease in Loan Interest Receivable	-	-
(Increase) Decrease in Investment Income Receivable	(5,018.03)	(4,404.10)
Increase (Decrease) in Accounts Payable	-	-
Increase (Decrease) in Accrued Interest Payable	(115,058.12)	(821.42)
Increase (Decrease) in Due to State General Fund	-	-
Increase (Decrease) in Due to Other Governments	(361,226.61)	(361,226.61)
Increase (Decrease) in Bonds Payable	-	-
Increase (Decrease) in Long Term Escrow Payable	2,950.74	5,124.01
Increase (Decrease) in Amounts Held in the Custody for Others	-	-
	(371,778.29)	(116,993.60)
NET INCREASE IN CASH AND INVESTMENTS		
CASH AND INVESTMENTS - BEGINNING	10,081,160.75	9,826,376.06
CASH AND INVESTMENTS - ENDING	9,709,382.46	9,709,382.46

**Economic Development Finance Authority
April 21, 2017**

BILL REQUIRING ACTION

First National Trust and Investment Management Services	\$4,128
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100 South Phillips Avenue
P.O. Box 5186
Sioux Falls, SD 57117-5186

P 605.335.5180
www.fnbsf.com

December 13, 2016

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, 2016 <u>Account Balances</u> (Thousands)	<u>Semiannual</u> <u>Fee Amount</u>
81-2609-00-6 Capital Reserve	\$5,310	
81-2609-03-0 General Fund	<u>\$2,097</u>	
<u>Fee to be deducted from General Fund</u>		\$3,703
81-6508-036 Marmen Energy 2013	\$ 849	\$ 425
Total Fee Amount		<u>\$4,128</u>

The above fees will be deducted from the various accounts upon the Board's approval.

If you have any questions regarding the above, please contact me at (605) 357-7688, or email ekwoodsend@fnbsf.com.

Sincerely,

A handwritten signature in cursive script that reads 'Liz Woodsend'.

Liz Woodsend
Assistant Vice President and Trust Officer