

SOUTH DAKOTA

VAF

Value Added Finance Authority



June 30, 2015
Annual Report

SOUTH DAKOTA VALUE ADDED FINANCE AUTHORITY

BEGINNING FARMER BOND PROGRAM

AGRIBUSINESS BOND PROGRAM

LIVESTOCK NUTRIENT MANAGEMENT BOND PROGRAM

VALUE ADDED AGRIBUSINESS RELENDING PROGRAM

VALUE ADDED SUB FUND

ANNUAL REPORT Fiscal Year 2015

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STATE FISCAL YEAR 2015 SUMMARY

The Value Added Finance Authority (the “Authority”) issued a total of 7 tax exempt bonds in SFY 2015 totaling \$6,975,890. The following is a list of these bonds:

Beginning Farmer Bond	Jason & Andrea Eddy	\$273,000
Beginning Farmer Bond	Nathan Schultz	\$425,000
Beginning Farmer Bond	Nathan Schultz	\$ 50,000
Beginning Farmer Bond	Paul & Amber Amdahl	\$369,890
Livestock Nutrient Mgmt	Jeff Howard	\$195,000
Livestock Nutrient Mgmt	Sterling Technology, Inc.	\$163,000
Livestock Nutrient Mgmt	Lincoln Land LLC	\$5,500,000

The Authority also closed two Value Added Agribusiness Relending Program loans totaling \$430,000. In addition, the Authority commissioned a study with Value Added Sub Funds (VASF) for a County Site Analysis Program for \$100,000 and approved applications totaling \$50,065 for a portion of the costs for two feasibility studies.

AUTHORITY

The Authority was created in 1995 for the purpose of administering the Beginning Farmer Bond and Agribusiness Bonding Programs and to make annual recommendations to the Legislature and the Governor on programs to develop and promote agricultural processing activity in South Dakota. The Authority’s goal is to facilitate the retention of agricultural commodities and products in this state for the maximum feasible time span during the life cycle, use, or consumption of the commodity or product.

The Authority’s mission is to provide lower cost financing for qualifying beginning farmers and agricultural businesses. This objective is achieved by issuing federally tax-exempt bonds. The bonds, which are issued by the Authority to the bond purchaser, are non-recourse obligations. The principal and interest on the bonds do not constitute an indebtedness of the Authority or the State of South Dakota or a charge against their general credit or general funds.

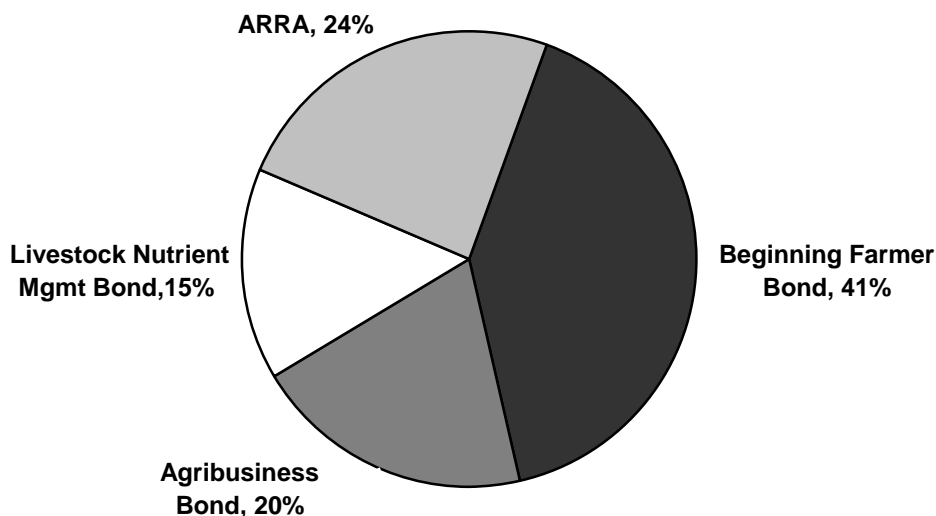
The Authority is appointed by the Governor and is made up of seven members. A list of board members and their biographies starts on page 24 of this report.

GOVERNOR COMMITMENT

The Governor’s commitment to agriculture is evident in that the Governor has approved the issuance of the tax-exempt bonds for the Beginning Farmer Bond Program and the Agribusiness Bonding Programs.

Historically, the Beginning Farmer Bond Program and the Agribusiness Bond Programs have received annual bond authority allocations of \$10 million and \$30 million, respectively. If not fully utilized, the remaining authority is re-allocated to the South Dakota Housing Development Authority for certain housing and manufacturing projects.

The following pie chart shows the total dollar amount of all bonds issued. As a percentage of all the Authority's bond issues, the Beginning Farmer Bond Program makes forty-one percent of the total dollars (\$102,809,211.85).



AUTHORITY GROWTH

With the increasing environmental standards imposed by EPA, the Authority devised a program to assist producers in upgrading their nutrient management plans. The ***Livestock Nutrient Management Bond*** program was created in 2001 so producers may get an interest rate reduction on costs associated with a nutrient management plan. The bond authority for this program is included with the Agribusiness Bond authority.

The Authority expanded the programs it offers in 2002 with the ***Value Added Agribusiness Relending Program*** by applying to USDA for an Intermediary Relending Program loan. The Authority was successful in receiving a \$750,000 loan for the purpose of lending this money to agricultural businesses in South Dakota. The USDA loan of \$750,000 was matched by \$187,500, twenty-five percent (25%) of the USDA loan, with state rural rehabilitation funds, for a total loan fund of \$937,500. As loans are made, repayments are loaned out for additional projects. In State Fiscal Year 2004, application was made to USDA for a second Intermediary Relending Program loan. Once again, the Authority was awarded another \$750,000 loan in November 2004 to be matched with \$75,000, ten percent (10%) of the USDA loan, with state rural rehabilitation funds, for a total loan fund of \$825,000. In state fiscal year 2007, a third USDA application was submitted for another \$750,000. This application was approved with a twenty-five percent (25%) match requirement and closed in 2010.

The Authority further expanded the programs it offers in SFY 2014 when the ***Value Added Sub Fund*** (VASF) was transferred from the Board of Economic Development within the Governor's Office of Economic Development to the VAFA within the Department of Agriculture. The purpose of the VASF is to make grants and loans for agricultural development, feasibility studies, or marketing. An eligible project is a new or existing business that encourages or enhances agricultural development; any feasibility study, including any associated business plans; marketing study, including any associated business plan; or land use study, including any associated business plan.

As part of the American Recovery and Reinvestment Act (ARRA), in SFY 2011, the Authority issued three **Recovery Zone Bonds** to boost economic development efforts in the state. These bonds fell within the Authority’s statutes and the board members were excited to be part of the economic development efforts this opportunity provided.

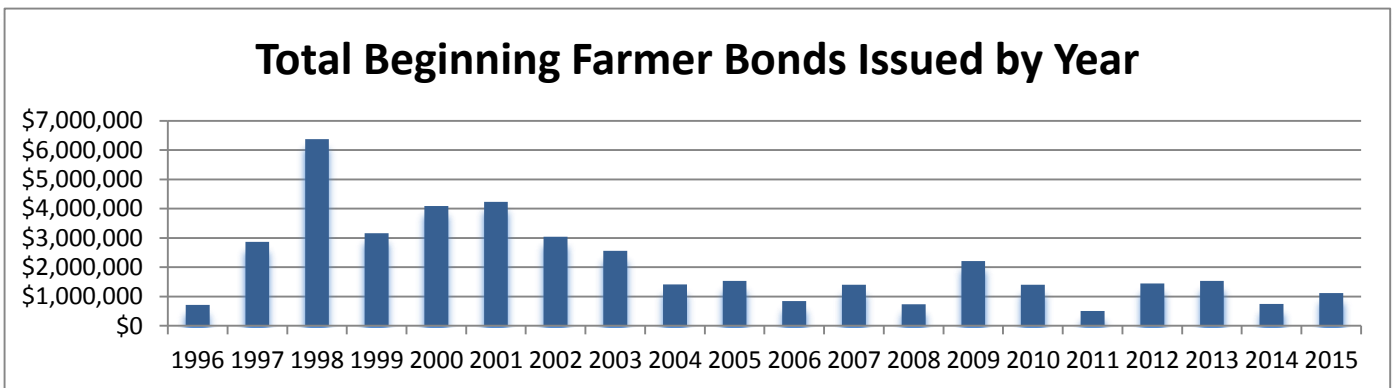
BEGINNING FARMER BOND PROGRAM

The South Dakota Beginning Farmer Bond Program is a tax-exempt bond program designed to assist qualifying beginning farmers in the state of South Dakota to acquire agricultural property at lower interest rates. The Program enables lenders, individuals, and other entities to receive federally tax-exempt interest with respect to a loan or contract sale made to beginning farmers. Annually, the Beginning Farmer Bond Program is allocated \$10 million of the state’s tax-exempt bond volume cap for the purpose of assisting beginning farmers in acquiring capital at reduced interest rates.

Activities eligible under the Beginning Farmer Bond Program include loans for the acquisition of agricultural land, the acquisition, construction, or reconstruction of agricultural buildings and fixtures, and the acquisition of depreciable agricultural property including machinery, equipment, and livestock. The maximum amount of a Beginning Farmer Bond is \$517,700 for calendar year 2015 (indexed annually).

Created in 1996, the Beginning Farmer Bond Program made an immediate impact on South Dakota’s beginning farmers. Eight tax-exempt bonds were issued the same fiscal year, financing \$721,814.00 at an average interest rate of 7.26%. Since inception, 329 bonds have been issued financing \$41,997,231.85. During fiscal year 2015, four beginning farmer bonds were issued for \$1,117,890 at an average interest rate of 4.5%. At fiscal year-end 2015, 199 bonds have been paid in full, one withdrew after issue, and two have defaulted. A detailed list of the bonds issued since inception are included in the Portfolio section of this report.

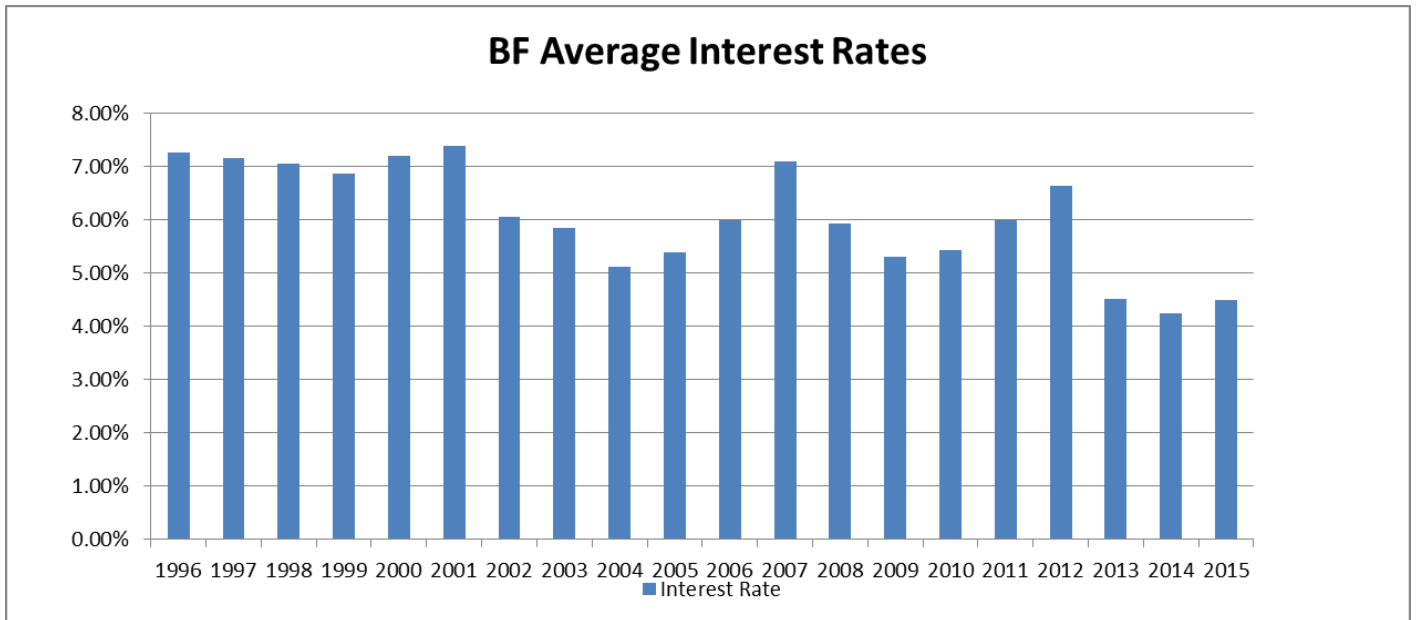
South Dakota’s Beginning Farmer Bond Program has seen tremendous activity. The following table demonstrates this activity by dollar value of bonds issued each fiscal year since inception of the program in 1996.



More important than dollar volumes is the impact of the program on beginning farmers and ranchers, rural South Dakota communities, and agriculture. Interest rates received and the average age of these farmers and ranchers can measure the success of the program. With the average agricultural producer in South Dakota approaching sixty years of age, it is important to assist in the transition to the new generation of farmers and ranchers. Ranging from

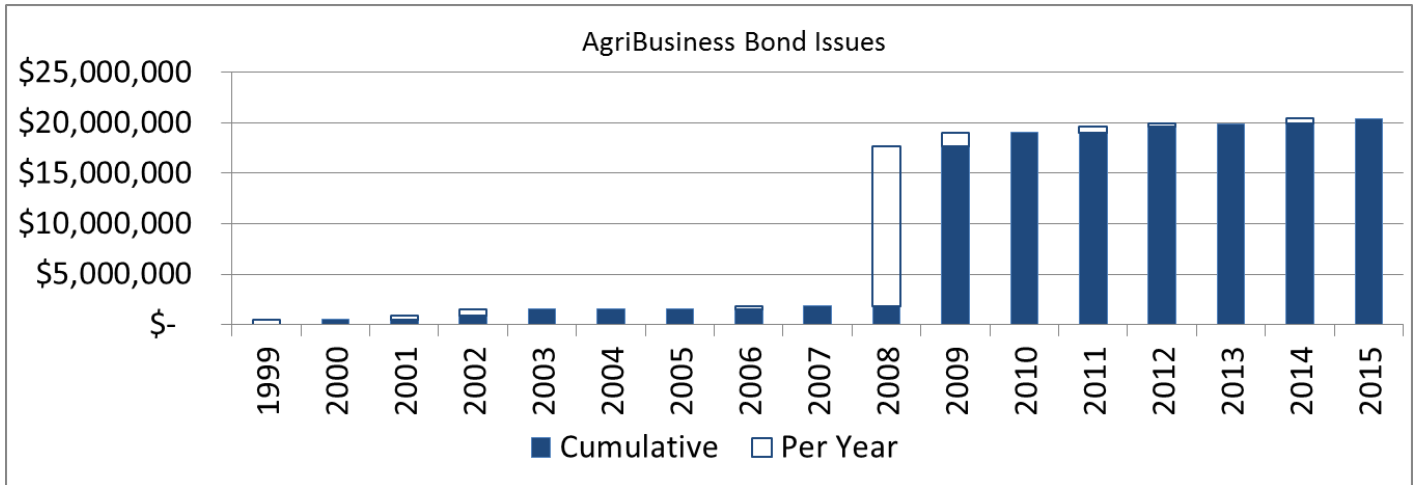
eighteen to fifty-six, the average age of beginning farmers in the program is slightly below thirty.

In addition, since the intent of the program is to reduce rates through the federal tax exemption, the rates received by beginning farmers and ranchers can gauge the success of the program. The following table shows the average interest rate received each fiscal year the program has been in existence. Although rates are determined by individual creditworthiness, typically, conventional rates without tax-exemption would be one to three percent higher.



AGRIBUSINESS BOND PROGRAM

The purpose of the Agribusiness Bond Program is to assist in the development and expansion of agricultural and business enterprises within the State of South Dakota. The Authority issues tax-exempt bonds to finance qualified projects according to the provisions of the Internal Revenue Code of 1986. Such provisions limit the list of projects that can be financed with tax-exempt bonds to manufacturing projects, including processing, certain housing projects, projects for tax-exempt organizations (501(c)(3)), and projects for first-time farmers. Therefore, with regard to the Authority's goal, the Agribusiness Bond Program is intended to finance value added agricultural processing and manufacturing projects.



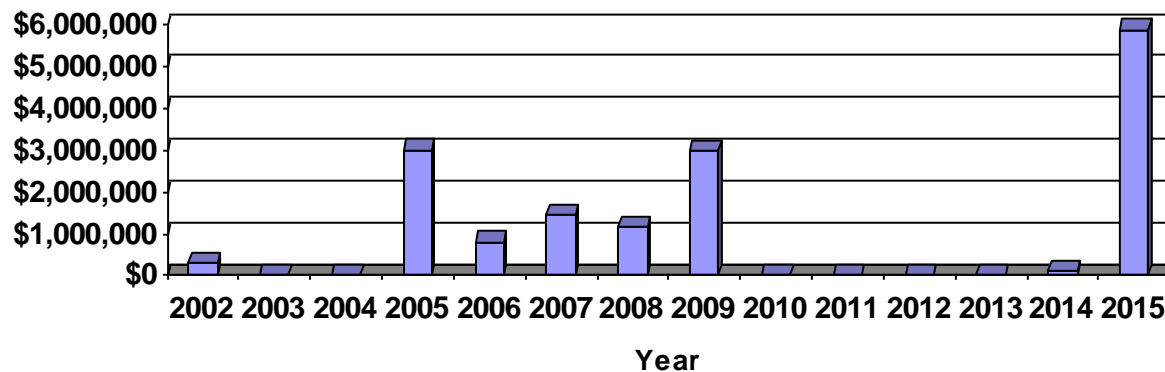
As of June 30, 2015 a total of \$20,437,500 agribusiness bonds have been issued. Three bonds have been paid in full and there has been one default. The chart above shows the Agribusiness Bonds issued each year by dollar amount and the cumulative total. A detailed list of bonds issued since inception of this program is included in the Portfolio section of this report.

LIVESTOCK NUTRIENT MANAGEMENT BOND PROGRAM

The Livestock Nutrient Management Bond Program was developed in 2001 as part of the Agribusiness Bond Program. Its purpose is to assist livestock producers in developing a livestock nutrient management facility. This program will assist producers in obtaining lower-interest financing for costs associated with a management plan. The Authority issues tax-exempt bonds to finance the capital expenditures associated with the handling and/or processing of byproducts and livestock nutrients (manure). Any costs incurred for property or any portion used for the collection, storage, treatment, utilization, processing, or final disposal of livestock nutrients up to the point that the livestock nutrients have value are eligible.

The Livestock Nutrient Management Bond program has closed a total of 25 bonds since the program started in State Fiscal Year 2002. In SFY 2015, three Livestock Nutrient Management Bonds were issued for \$5,858,000. To date, \$15,624,480 has been issued since the program began. The dollar value of these bonds per year is shown in the chart below.

Livestock Nutrient Management Bond Issues Per Year



VALUE ADDED AGRIBUSINESS RELENDING PROGRAM (VAARP)

In fiscal year 2002, the Value Added Finance Authority created a direct loan program called the Value Added Agribusiness Relending Program. This is a low interest loan program available for new or expanding businesses involved in ag processing, marketing, or manufacturing. Some eligible costs include start-up costs or working capital, equipment, marketing, feasibility studies, and under some conditions, debt refinancing. The Value Added Finance Authority received a low-interest loan from USDA – Rural Development in the amount of \$750,000 for the start-up of this program. Upon loaning out the entire first loan, the Authority applied for another \$750,000 loan in 2004 and closed this loan in fiscal year 2005. In state fiscal year 2007, a third USDA application was submitted for another \$750,000. The Authority’s application was approved and we closed this loan in SFY 2010.

Two loans were closed in state fiscal year 2015 for \$430,000. A total of twenty-eight loans for \$2,693,100 have been closed since the beginning of the program in fiscal year 2002. Twenty-one loans have been paid in full. A detailed list of these loans is included in the Portfolio section of this report.

VALUE ADDED SUB FUND

On July 1, 2013, the Value Added Sub Fund was transferred from the Board of Economic Development to the VAFA. The VAFA promulgated rules for the VASF and receives \$135,000 annually from the motor fuels tax to add to the fund which is used for feasibility studies for agricultural businesses.

No more than once per fiscal year, the VAFA may commission a study and pay the entire cost of the study from VASF if it determines that doing so may avoid duplication of effort or will serve an unmet need. The cost of this study may not exceed \$100,000.

In FY 2015, VAFA commissioned a County Site Analysis Program study for \$100,000. A total of 30 counties signed up for this program in SFY 2014 and 15 counties were completed with this funding. In addition, two new VASF applications were approved to conduct a feasibility study for an ethanol processing facility in the amount of \$22,500 and a multi-feedstock biodiesel production facility in the amount of \$27,565.

AMERICAN RECOVERY AND REINVESTMENT ACT

In fiscal year 2011, the Value Added Finance Authority issued three Recovery Zone bonds. These were one-time tax-exempt bond issues as part of the American Recovery and Reinvestment Act and had to be issued before December 31, 2010. These bonds totaled \$24,750,000 and were issued for economic development projects in Sioux Falls and Mitchell.

Portfolio

BEGINNING FARMER BOND

FISCAL YEAR 2015 ACTIVITY ***Beginning Farmer Bond Program***

Name	Location	Rate		Amount	Lender
Jason & Andrea Eddy	Madison	3.75%	V	\$273,000.00	Home Federal Bank
Nathan Schultz	Lake City	4.00%	V	\$425,000.00	Contract for Deed (CFD)
Nathan Schultz	Lake City	5.50%	F	\$ 50,000.00	Contract for Deed (CFD)
Paul & Amber Amdahl	Milbank	4.50%	F	\$369,890.00	First Bank & Trust
				\$1,117,890.00	

Four Beginning Farmer Bonds were issued in State Fiscal Year (SFY) 2015 for a total of \$1,117,890. The average interest rate was 4.5%.

FISCAL YEAR 2014 ACTIVITY ***Beginning Farmer Bond Program***

Name	Location	Rate		Amount	Lender
Charles Liesinger	Bridgewater	4.50%	V	\$268,800.00	Private Investor
Zachary B L Guy	Veblen	4.00%	V	\$480,000.00	Contract for Deed (CFD)
				\$748,800.00	

Two Beginning Farmer Bonds were issued in SFY 2014 for a total of \$748,800.

FISCAL YEAR 2013 ACTIVITY ***Beginning Farmer Bond Program***

Name	Location	Rate		Amount	Lender
Ryan Wollschlager	Reville	4.14%	F	\$267,600.00	Great Western Bank
Jamie W. Cremer	Marion	4.00%	F	\$488,600.00	Farmers State Bank
Robert and Lois Ragatz	Frankfort	6.00%	F	\$500,000.00	CFD
Paul and Charity Ortman	Marion	3.95%	V	\$275,100.00	Merchants State Bank
				\$1,531,300.00	

Four Beginning Farmer Bonds were issued in SFY 2013 for a total of \$1,531,300.

FISCAL YEAR 2012 ACTIVITY ***Beginning Farmer Bond Program***

Name	Location	Rate		Amount	Lender
Darin Zuehlke	Britton	6.00%	F	\$442,900.00	CFD
Jason and Darla Graves	Clear Lake	4.50%	F	\$326,000.00	Citizens State Bank
Morgan Holler	Groton	8.00%	F	\$383,200.00	CFD
Shannon Holler	Pierpont	8.00%	F	\$299,300.00	CFD
				\$1,451,400.00	

Four Beginning Farmer Bonds were issued in SFY 2012 for a total of \$1,451,400.

FISCAL YEAR 2011 ACTIVITY ***Beginning Farmer Bond Program***

Name	Location	Rate		Amount	Lender
Adam Hunt	Milbank	4.5%	F	\$378,000.00	First Bank & Trust
Brad Neishem	Ethan	7.5%	F	\$126,100.00	CFD
				\$504,100.00	

Two Beginning Farmer Bonds were issued in SFY 2011 for a total of \$504,100.

FISCAL YEAR 2010 ACTIVITY
Beginning Farmer Bond Program

Name	Location	Rate		Amount	Lender
Katie Bogue	Lake City	5.00%	F	\$414,615.00	CFD
Travis Ceroll	Sisseton	5.00%	F	\$283,385.00	CFD
Matt Storm	Ethan	7.50%	F	\$210,000.00	CFD
Adam Pauli	Milbank	4.50%	F	\$284,000.00	Great Western Bank
Jordan Pillatzki	Milbank	5.15%	F	\$212,928.00	Great Western Bank
				\$1,404,928.00	

In SFY 2010, five bonds were closed totaling \$1,404,928. The average interest rate was 5.43%. Eighty percent of the bonds received a fixed interest rate and forty percent were purchased by a lending institution.

FISCAL YEAR 2009 ACTIVITY
Beginning Farmer Bond Program

Name	Location	Rate		Amount	Lender
Thomas Schnabel	Eureka	4.75%	V	\$249,774.00	Great Plains Bank
Robert & Katherine Siemonsma	Sherman	5.40%	V	\$210,000.00	First National Bank of SF
Eric & Sarah Stengal	Milbank	5.00%	F	\$325,000.00	Great Western Bank
Kevin Schmidt	Tolstoy	5.00%	F	\$404,396.00	Plains Commerce Bank
Brandon Hagen	Lake City	6.00%	F	\$128,000.00	CFD
Robert Ash	Bristol	6.00%	F	\$450,000.00	CFD
William & Kayla Richter	Britton	5.00%	F	\$450,000.00	Plains Commerce Bank
				\$2,217,170.00	

In State Fiscal Year 2009, seven bonds were closed totaling \$2,217,170 with an average interest rate of 5.58%. Eighty-Six percent of the bonds received a fixed interest rate and seventy-two percent were purchased by a lending institution.

FISCAL YEAR 2008 ACTIVITY
Beginning Farmer Bond Program

Name	Location	Rate		Amount	Lender
Rustin & Austie Albrecht	DeSmet	6.95%	F	\$230,000.00	Well Fargo Bank
Brian C. & Jill Zuehlke	Britton	6.00%	F	\$250,000.00	CFD
Gregory & Jennifer Schumacher	Aberdeen	6.00%	V	\$178,000.00	Great Plains Bank
Eric J. Fiegen	Dell Rapids	5.50%	F	\$29,200.00	First National Bank
Harvey Schmidt	Dell Rapids	5.25%	F	\$55,000.00	First National Bank
				\$742,200.00	

In State Fiscal Year 2008, five bonds were closed totaling \$742,200. The average interest rate was 5.31%. Sixty-three percent of the bonds received a fixed interest rate and sixty-three percent were purchased by a lending institution.

FISCAL YEAR 2007 ACTIVITY
Beginning Farmer Bond Program

Name	Location	Rate		Amount	Lender
Damon Klumb	Ethan	9%	F	\$250,000.00	CFD

Benjamin Klumb	Ethan	9%	F	\$250,000.00	CFD
Todd & Pam Lounsbery	Reville	6.5%	V	\$110,000.00	Community State Bank
Robert & Teresa Shape	Belle Fourche	7.0%	F	\$250,000.00	First National Bank
Jay & Tara Mertens	Milbank	7.5%	V	\$145,000.00	First Bank & Trust
Terry & Sarah Jensen	Woonsocket	5.75%	F	\$108,000.00	American Bank & Trust
Allen Meyer	Sisseton	6.0%	V	\$195,000.00	Great Western Bank
Warren & Stephanie Symens	Amherst	6.0%	F	\$100,000.00	CFD
				\$1,408,000.00	

In SFY 2007, eight bonds were closed totaling \$1,408,000. The average interest rate was 7.09%. Sixty-three percent of the bonds received a fixed interest rate and sixty-three percent were purchased by a lending institution.

FISCAL YEAR 2006 ACTIVITY
Beginning Farmer Bond Program

Name	Location	Rate		Amount	Lender
Erin and Lisa Braun	Rosholt	6.25%	V	\$240,000.00	State Bank of Wheaton
Trent and Miracle Hemmingsen	Elk Point	6.95%	F	\$150,000.00	CFD
Linus and Renee Zach	Rosholt	6.25%	V	\$100,928.00	Great Western Bank
Robert and Connie Spindler	Hoven	5.75%	V	\$54,000.00	Plains Commerce Bank
Larry and Linda Fischer	Mobridge	5.5%	V	\$250,000.00	Dacotah Bank
Aaron Hough	Scotland	5.25%	F	\$50,000.00	CorTrust Bank
				\$844,928.00	

In SFY 2006, six bonds were closed totaling \$844,928. The average interest rate was 5.99%. Half of the bonds received a fixed interest rate and eighty-three percent were purchased by a lending institution.

FISCAL YEAR 2005 ACTIVITY
Beginning Farmer Bond Program

Name	Location	Rate		Amount	Lender
Tim and Helen Zabel	Lowry	4.5%	V	\$250,000.00	Campbell County Bank
Prescott and Kerri Symens	Claremont	6.0%	F	\$250,000.00	BankWest, Inc.
Roger and Susan Peters	Lemmon	4.5%	V	\$192,400.00	Dacotah Bank
Kurt Zuehlke	Britton	4.75%	F	\$131,875.00	CFD
William and Brenda Frost	Gettysburg	5.00%	V	\$228,000.00	Plains Commerce Bank
Michael and Jennifer Martens	DeSmet	5.00%	V	\$55,000.00	Peoples State Bank
Jamen and Jackie Benson	Lyons	6.00%	F	\$185,985.00	CFD
Frank Nedved	Yankton	6.75%	V	\$74,806.00	CorTrust Bank
Joseph and Jillian Calmus	Canova	6.00%	F	\$95,000.00	CFD
Scott and Stephanie Raile	Eureka	5.25%	V	\$72,000.00	Great Plains Bank
				\$1,535,066.00	

Ten Beginning Farmer Bonds were issued during SFY 2005 for \$1,535,066. The average bond issue was for \$153,506.60 and the average interest rate was 5.38%. Forty percent received a fixed interest rate and eighty percent were purchased by a lending institution.

FISCAL YEAR 2004 ACTIVITY
Beginning Farmer Bond Program

Name	Location	Rate		Amount	Lender
Shawn DuFrain	Geddes	5.50%	F	\$142,500.00	CFD

Travis Petersen	Bradley	5.00%	V	\$195,000.00	Dacotah Bank
Troy Petersen	Bradley	5.00%	V	\$195,000.00	Dacotah Bank
Roger and Susan Peters	Lemmon	4.00%	F	\$57,600.00	Dacotah Bank
Joel Shoemaker	Webster	7.75%	F	\$111,500.00	CFD
Erin Wilkinson	Erwin	5.00%	F	\$161,750.00	CFD
Benjamin and Kelli Endorf	Mitchell	4.00%	F	\$129,000.00	CFD
Daron and Ann Larson	DeSmet	4.50%	V	\$61,000.00	Peoples State Bank
Derick Larson	DeSmet	4.50%	V	\$53,000.00	Peoples State Bank
Fredrick and Peggy Butzke	Salem	6.50%	F	\$118,229.52	CFD
Robert and Connie Spindler	Hoven	4.50%	V	\$196,000.00	Plains Commerce Bank
				\$1,420,579.52	

During fiscal year 2004, eleven Beginning Farmer Bonds were issued for \$1,420,579.52. An average bond issue of \$129,144 was financed at an average interest rate of 5.11%. Fifty-five percent received a fixed interest rate, and fifty-five percent were purchased by a lending institution.

FISCAL YEAR 2003 ACTIVITY
Beginning Farmer Bond Program

Name	Location	Rate		Amount	Lender
Michael and Caroline Schock	Spencer	4.00%	F	\$250,000.00	CFD
Jeff Schultz	Freeman	5.75%	V	\$125,000.00	Merchants State Bank
John Schultz	Freeman	5.75%	V	\$125,000.00	Merchants State Bank
Douglas and Jane Medhaug	Veblen	7.00%	F	\$160,000.00	CFD
Jason Vetter	Castlewood	6.75%	F	\$184,320.00	Citizens State Bank
Rodney D. Mathers	Mt. Vernon	6.50%	F	\$63,900.00	CFD
Brian and Cheryl Renelt	Wilmot	4.75%	V	\$55,300.00	Wilmot State Bank
Todd and Pam Lunzman	Frederick	6.00%	V	\$44,612.00	First Savings Bank
Cory Cole	Langford	7.00%	F	\$68,100.00	CFD
Cory Cole	Langford	7.50%	F	\$156,900.00	CFD
Jeffrey and Kelly Jo Miller	Britton	6.00%	F	\$126,000.00	CFD
James and DeNora Reuer	Hoven	5.50%	V	\$77,500.00	Community First Nat'l Bank
Cory Bierle	Lesterville	4.75%	V	\$90,000.00	CorTrust Bank
Michael and Cassandra Hunter	Huron	5.25%	F	\$49,184.00	American Bank & Trust
Jarrett Olson	Bristol	6.00%	F	\$156,000.00	CFD
Lon A. and Christine Peters	Murdo	5.00%	V	\$249,200.00	BankWest, Inc.
Todd Fuoss	Draper	6.00%	F	\$200,000.00	BankWest, Inc.
Andrew Meyer	Sisseton	5.50%	V	\$150,000.00	Great Western Bank
Bradley Ufen	Miller	6.00%	F	\$230,000.00	BankWest, Inc.
				\$2,561,016.00	

During fiscal year 2003, nineteen Beginning Farmer Bonds were issued for \$2,561,016. An average bond issue of \$134,790 was financed at an average interest rate of 5.85%. Fifty-two percent received a fixed interest rate, and fifty-seven percent were purchased by a lending institution.

FISCAL YEAR 2002 ACTIVITY
Beginning Farmer Bond Program

Name	Location	Rate		Amount	Lender
Bryce Heinje	Wilmot	6.00%	V	\$72,000.00	Wilmot State Bank
David & Alvina Fischer	Eureka	6.50%	V	\$250,000.00	Great Plains Bank
Clint & Janine Ebel	Herried	5.25%	V	\$72,100.00	Great Plains Bank
Jason & Kristy Liebe	Milbank	6.75%	F	\$180,000.00	CFD

Kelley Heitmann	Lake City	7.50%	F	\$101,400.00	Wells Fargo Bank
Kelley Heitmann	Lake City	8.00%	F	\$98,000.00	Investor
Kelley Heitmann	Lake City	7.50%	F	\$46,500.00	Investor
Joshua Larson	Columbia	5.85%	F	\$231,805.00	Wells Fargo Bank
Jesse Strouckel	Roscoe	6.00%	F	\$224,000.00	CFD
Adam & Nicole Wright	Turton	5.50%	F	\$70,200.00	CFD
Chad Michael Rausch	Gettysburg	5.50%	V	\$37,800.00	Community First Ntl. Bank
Jason C. Schwab	Aberdeen	6.50%	F	\$249,600.00	CFD
Levi J. Neuharth	Ft. Pierre	5.57%	F	\$80,000.00	First National Bank
Bryan W. Wagner	Wetonka	5.00%	F	\$200,000.00	CFD
Jason Dan Griese	Gettysburgh	5.20%	V	\$86,358.64	Plains Commerce Bank
Todd Klein	Winfred	6.00%	F	\$218,947.00	First National Bank
Jess & Kim Klein	Madison	6.00%	F	\$216,147.00	First National Bank
Thomas & Barbara Opitz	Sioux Falls	4.62%	V	\$246,024.00	CorTrust Bank
Robert Sorenson	Wilmot	4.75%	V	\$138,000.00	Wilmot State Bank
Keith & Kristy Jensen	Freeman	5.75%	F	\$100,000.00	Merchants State Bank
Michael Feistner	Woonsocket	7.25%	F	\$130,000.00	Community First Ntl. Bank
				\$3,048,881.64	

During fiscal year 2002, twenty-one Beginning Farmer Bonds were issued for \$3,048,881.64. An average bond issue of \$145,184.84 was financed at an average interest rate of 6.05%. Sixty-seven percent received a fixed interest rate and sixty-seven percent were purchased by a lending institution.

FISCAL YEAR 2001 ACTIVITY
Beginning Farmer Bond Program

Name	Location	Rate		Amount	Lender
Jerry Biedenfeld	Pierre	7.75%	F	\$ 41,006.00	First National Bank
Randy & Jackie Lien	Veblen	7.00%	V	\$ 224,592.00	Great Plains Bank
Brian L. & Kim L. Peters	Britton	7.75%	F	\$ 123,000.00	CFD
Jonathon Jones	Alpena	7.75%	V	\$ 72,500.00	Norwest Bank
Don & Trista Nickelson	Frederick	7.25%	F	\$ 50,000.00	Norwest Bank
Gerald & Kay Retzer	Long Lake	7.00%	V	\$ 39,500.00	Security State Bank
Shannon & Michelle Klumb	Ethan	6.07%	F	\$ 109,240.00	CFD
Mark & Heidi Morlock	Eureka	7.25%	V	\$ 161,470.47	Great Plains Bank
Lance Friesen	Freeman	7.75%	V	\$ 70,000.00	Merchants State Bank
Eric & DeeAnn Hofer	Aberdeen	7.00%	V	\$ 53,000.00	Wells Fargo Bank
James Andrews	Beresford	7.95%	V	\$ 150,000.00	State Bank of Alcester
Jason & Jennifer Bietz	Olivet	8.25%	V	\$ 98,000.00	Wells Fargo Bank
Kerry Hofer	Freeman	7.75%	V	\$ 90,000.00	Merchants State Bank
Matthew & Danette Schumacher	Sioux Falls	7.25%	F	\$ 119,421.58	CFD
Rick & Tiffany Tebay	Alpena	7.25%	F	\$ 100,000.00	Wells Fargo Bank
Murray & Shanon Toews	Yale	8.00%	F	\$ 70,000.00	Marquette Bank
Joshua & Angela Bieber	Bowdle	7.00%	F	\$ 62,500.00	Wells Fargo Bank
Bart Krautschun	Spearfish	7.00%	F	\$ 52,855.00	First National Bank
Troy David Peterson	Bradley	8.00%	V	\$ 48,000.00	Dacotah Bank
Troy & Melissa Mudgett	Clark	8.00%	V	\$ 144,000.00	Dacotah Bank
Kent & Cindy Zuehlke	Britton	6.75%	F	\$ 216,000.00	Wells Fargo Bank
Justin & Kelly Burke	Carpenter	8.00%	F	\$ 192,650.00	Peoples State Bank
Jim & Natalie Ketelhut	Pukwana	8.00%	F	\$ 53,000.00	First Fidelity Bank
Brian & Lola Scott	New Underwood	7.00%	V	\$ 225,100.00	First National Bank
Elden & Patricia Andersen	Badger	8.00%	V	\$ 68,520.00	Citizens State Bank
Arthur Wenzel, Jr.	Huron	8.50%	F	\$ 38,000.00	Marquette Bank

David R. Christenson	Britton	7.50%	F	\$ 74,000.00	CFD
Steven & Amy Noonan	Howard	7.00%	F	\$ 186,114.00	CFD
Todd A. Whempner	Wilmot	7.75%	V	\$ 148,500.00	Peoples State Bank
Scott & Kirsten Thompson	Flandreau	7.00%	V	\$ 192,800.00	Farmers State Bank
Rodney Yost	Iroquois	7.50%	V	\$ 124,464.00	Peoples State Bank
Ryan D. & Debra Olson	Erwin	7.50%	V	\$ 31,200.40	Citizens State Bank
Chad Jensen	Newell	6.75%	F	\$ 17,983.00	First National Bank
Darin & Julie Zuehlke	Britton	6.75%	V	\$ 21,875.00	First Savings Bank
Kurt Kuehlke	Britton	6.75%	V	\$ 118,125.00	First Savings Bank
Ross Halter	Huron	7.00%	F	\$ 83,738.00	Marquette Bank
Britt Hofer	Freeman	7.50%	V	\$ 133,000.00	Merchants State Bank
Eric & Wendy Zell	Huron	7.50%	F	\$ 162,400.00	Marquette Bank
Daniel J. Loehrer	Milbank	7.00%	F	\$ 119,660.00	Community First State Bank
Todd M. & Darcy A. Jones	Hayes	6.75%	V	\$ 147,110.00	First National Bank
				\$4,233,324.45	

During fiscal year 2001, forty Beginning Farmer Bonds were issued for \$4,233,324.45. An average bond issue of \$105,833 was financed at an average interest rate of 7.39%. Forty-seven and one half percent received a fixed interest rate and eighty-seven and one half percent were purchased by a lending institution.

FISCAL YEAR 2000 ACTIVITY
Beginning Farmer Bond Program

Name	Location	Rate		Amount	Lender
Neil & Tammy Tolton	Midland	7.00%	V	\$ 32,727.00	First National Bank
Andrew & Julie Boomsma	Wolsey	7.25%	F	\$ 110,000.00	Norwest Bank
Levi Haefner	Mound City	6.75%	F	\$ 55,000.00	Norwest Bank
Ryan & Peggy McLellan	Eagle Butte	6.50%	F	\$ 247,080.00	Norwest Bank
Danny Phelps	Arlington	7.75%	V	\$ 47,844.00	Citizens State Bank
Jason Stoesser	Ft. Pierre	6.00%	F	\$ 204,826.00	CFD
Brian & Susan Dodd	Mt. Vernon	7.25%	V	\$ 55,000.00	Commercial Trust & Savings
Larry & Charlotte Akkerman	DeSmet	6.75%	V	\$ 89,000.00	Peoples State Bank
Roy Gjerde	Vienna	7.00%	F	\$ 14,000.00	Dacotah Bank
Joshua Larson	Woonsocket	7.50%	F	\$ 128,000.00	Marquette Bank
Tigh Fliehs	Claremont	7.21%	F	\$ 250,000.00	CFD
Trent & Stephanie Damm	Badger	7.25%	V	\$ 100,000.00	Citizens State Bank
Craig & Melanie Jantz	Carpenter	7.00%	F	\$ 86,000.00	Marquette Bank
Kerry Hofer	Freemen	7.25%	V	\$ 90,000.00	Merchants State Bank
Timothy & Kelly Bowar	Faulkton	6.25%	F	\$ 235,000.00	CFD
Todd & Shawna Stroschein	Clear Lake	7.90%	F	\$ 153,100.00	Dacotah Bank
Patrick & Rebecca McMahan	Hermosa	8.00%	F	\$ 250,000.00	CFD
Ed McMahan	Hermosa	8.00%	F	\$ 250,000.00	CFD
Floyd & Trina Cleveland	Sisseton	7.50%	V	\$ 66,315.00	Peoples State Bank
John Hunt	Eagle Butte	8.65%	V	\$ 85,260.00	First National Bank
Heath Tilton	Iroquois	6.75%	F	\$ 125,000.00	Marquette Bank
Douglas Fast	Iroquois	6.75%	F	\$ 125,000.00	Marquette Bank
Patrick & Carol Knecht	Houghton	6.75%	F	\$ 62,500.00	First State Bank
Paul & Nicole Sumption	Frederick	6.75%	F	\$ 31,005.00	Norwest Bank
Ron & Mavis Weidner	Winner	8.00%	F	\$ 60,400.00	First Fidelity Bank
Dan & Amy Wilkinson	Iroquois	6.75%	F	\$ 74,500.00	Peoples State Bank
Mark Wilkinson	Lake Preston	6.75%	F	\$ 74,500.00	Peoples State Bank
Eric N. Thomas	Bowdle	7.00%	F	\$ 30,000.00	Norwest Bank
Cliff & Julie Keller	Tolstoy	7.25%	F	\$ 51,600.00	Norwest Bank

Brandon Rau	Java	7.00%	F	\$ 212,500.00	Norwest Bank
Duane & Rose Ann Zabel	Selby	7.25%	F	\$ 37,800.00	Norwest Bank
Steve & Tricia Zabel	Selby	7.25%	F	\$ 37,800.00	Norwest Bank
Corey & Kristi Eberhart	Java	6.75%	V	\$ 119,770.00	Great Plains Bank
Chet Carr	Prairie City	6.90%	F	\$ 30,000.00	Community First State Bank
Randy Czmowski	Lily	8.25%	F	\$ 37,700.00	Dacotah Bank
Marshall & Carolyn Edleman	Willow Lake	7.75%	F	\$ 207,000.00	Marquette Bank
Jeffrey & Linda Stewart	Lake Preston	7.50%	V	\$ 50,000.00	Peoples State Bank
Ralph Weber	Montrose	7.50%	F	\$ 89,150.00	Norwest Bank
Kevin Weber	Montrose	7.50%	F	\$ 89,150.00	Norwest Bank
				\$4,094,527.00	

During fiscal year 2000, thirty-nine Beginning Farmer Bonds were issued for \$4,094,527. An average bond issue of \$104,988 was financed at an average interest rate of 7.21%. Sixty-six percent received a fixed interest rate, and eighty-seven percent were purchased by a lending institution.

FISCAL YEAR 1999 ACTIVITY
Beginning Farmer Bond Program

Name	Location	Rate		Amount	Lender
Dion Rosenow	Lemmon	6.90%	F	\$ 78,800.00	
Chad Groos	Colman	7.25%	V	\$ 62,500.00	First Savings Bank
Chad & Cindy Kehn	Bonesteel	7.00%	V	\$ 88,000.00	Butte State Bank
Michael Finkbeiner	Mobridge	8.00%	V	\$ 51,000.00	Farmers State Bank
Andrew Boomsma	Wolsey	7.00%	F	\$ 76,244.00	Norwest Bank
David Leheska	Chamberlain	7.50%	V	\$ 15,000.00	Norwest Bank
Anthony & Darcie Sees	Menno	6.50%	F	\$ 87,000.00	CFD
Kevin & Dawn Hrnrcir	Sisseton	6.00%	F	\$ 56,000.00	CFD
Nathan Luvaas	Bradley	7.85%	V	\$ 63,000.00	Dacotah Bank
Jamason C. Larson	Langford	8.00%	F	\$ 115,000.00	CFD
Curtis & Roxanne Johnson	Keldron	6.75%	V	\$ 72,000.00	Community First State Bank
Chad J. Hofer	Bridgewater	7.00%	V	\$ 35,000.00	Merchants State Bank
Timothy Jerald Zubke	Milbank	5.80%	V	\$ 205,600.00	Minnwest Bank
Jason & Pamela Fauth	Leola	6.75%	F	\$ 127,000.00	Norwest Bank
Michael & Sandra Larson	Mitchell	6.75%	V	\$ 30,000.00	Peoples State Bank
Stephen J. Albrecht	DeSmet	6.75%	V	\$ 90,000.00	Peoples State Bank
Steven Palmer	DeSmet	6.75%	V	\$ 60,000.00	Peoples State Bank
Stephen & Jodi Walters	Huron	7.00%	F	\$ 75,000.00	Marquette Bank
Daniel & Kristie Nigg	Sisseton	7.25%	V	\$ 54,000.00	Marquette Bank
Gary & Donna Wik	Webster	8.00%	F	\$ 250,000.00	CFD
Neil & Tammy Tolton	Midland	7.00%	F	\$ 50,750.00	First National Bank
Randall&MaryLou Tollefson	Mitchell	7.00%	F	\$ 80,668.42	Commercial Trust & Savings
Jason Vincent	Iroquois	7.00%	F	\$ 24,000.00	Community First State Bank
Daniel Jensen	Huron	7.00%	F	\$ 126,000.00	Community First State Bank
Cody Roettele	Columbia	6.50%	F	\$ 110,000.00	Norwest Bank
Chad J. Hofer	Bridgewater	6.75%	F	\$ 14,500.00	Merchants State Bank
Scott Meier	White Lake	7.00%	F	\$ 62,400.00	CFD
Michael James Wolff	Forbes – ND	6.00%	F	\$ 95,000.00	CFD
Chad J. Hofer	Bridgewater	6.50%	F	\$ 75,888.00	CFD
Justin & Sarah Bieber	Bowdle	6.50%	F	\$ 149,850.00	CFD
Dennis & Shari Evenson	McIntosh	6.75%	F	\$ 29,700.00	Community First State Bank
Justin James Eberhart	Eureka	6.76%	F	\$ 25,000.00	Norwest Bank
Jeff & Stacie Gruenhagen	DeSmet	7.00%	F	\$ 115,000.00	Marquette Bank

James & Willa Lolling	Lake Preston	6.50%	V	\$ 235,752.00	Peoples State Bank
Duane & Rose Ann Zabel	Selby	6.50%	F	\$ 57,000.00	Norwest Bank
Steve & Tricia Zabel	Selby	6.50%	F	\$ 57,091.39	Norwest Bank
Danny & Marnie Goehring	Mound City	6.00%	V	\$ 101,337.00	Campbell County Bank
Eric & DeeAnn Hofer	Aberdeen	6.75%	F	\$ 62,030.00	Norwest Bank
				\$3,163,110.81	

Fiscal year 1999 saw thirty-eight Beginning Farmer Bonds issued amounting to \$3,163,111. An average bond issue of \$83,266 was financed at an average interest rate of 6.86%. Sixty-five percent received a fixed interest rate, and seventy-eight percent were purchased by a lending institution.

FISCAL YEAR 1998 ACTIVITY
Beginning Farmer Bond Program

Name	Location	Rate		Amount	Lender
Tim Wolles	Dell Rapids	6.60%	F	\$ 233,500.00	First National Bank
Dennis & Marie Maier	Morristown	7.25%	V	\$ 146,000.00	F & M Bank
Steve & Rashell Hulm	Trail City	7.50%	F	\$ 97,050.00	CFD
Jeff & Connie Maier	Morristown	7.25%	V	\$ 137,025.00	F & M Bank
Rodell Storbakken	Britton	7.25%	V	\$ 35,000.00	First Savings Bank
James G. Carter	Ft. Pierre	6.75%	V	\$ 130,000.00	First National Bank
Curtis & Roxanne Johnson	Keldron	7.00%	V	\$ 80,000.00	Community First State Bank
James & Robin Baker	Fairfax	7.00%	V	\$ 91,000.00	Butte State Bank, NE
Kevin & Christal Espeland	Selby	7.00%	F	\$ 40,000.00	Norwest Bank
Victor L. Weber	Alexandria	7.50%	V	\$ 71,200.00	The Security State Bank
Charles & Koreen Anderson	Lemmon	7.50%	F	\$ 45,900.00	Dacotah Bank
Arlo J. Burbach	Scotland	5.10%	F	\$ 46,215.00	CFD
Mark D. Grimsrud	Sisseton	7.00%	F	\$ 117,883.00	CFD
Kevin Bertsch	St. Lawrence	7.85%	F	\$ 190,414.00	First State Bank
Brian & Natalie Bertsch	Miller	7.85%	F	\$ 179,615.00	First State Bank
Christian & Kris Havey	Mission	7.50%	V	\$ 60,000.00	Community First National, NE
Gene Ericson	Alcester	7.08%	V	\$ 104,400.00	Alcester State Bank
James & Christine Keeter	Miller	7.85%	F	\$ 96,500.00	First State Bank
Adam Van Hove	Freeman	7.25%	F	\$ 250,000.00	First National Bank
Kent & Sandra Schmidt	Marion	6.50%	F	\$ 231,927.50	Farmers State Bank
Scott A. Carlson	Lake Preston	6.50%	F	\$ 53,760.00	F & M Bank
Steven Holtquist	Milbank	6.50%	F	\$ 132,000.00	CenBank, MN
Billy & Bonnie Bieber	Timber Lake	7.05%	F	\$ 37,000.00	Norwest Bank
Steven & Vikki Hasche	Lake Preston	7.00%	V	\$ 190,000.00	Peoples State Bank
Galen & Connie Schaefer	Freeman	7.75%	V	\$ 65,260.00	Merchants State Bank
Rick & Marybeth Lundberg	Alcester	7.06%	V	\$ 41,000.00	Alcester State Bank
Louis & Jacquelyn Fritz	Raymond	7.85%	V	\$ 187,500.00	Dacotah Bank
Rodell & Lynn Storbakken	Britton	7.25%	V	\$ 38,000.00	First Savings Bank
Philip & Jill Jerde	Reva	7.00%	V	\$ 250,000.00	Community First State Bank
Eric & Laurie Casper	Lake Preston	6.00%	F	\$ 130,000.00	CFD
Duane Oligmueller	Miller	7.85%	F	\$ 40,650.00	First State Bank
Lance & Lisa Minor	Brookings	6.05%	V	\$ 95,000.00	First National Bank
Brad Farrar	Hurley	7.75%	F	\$ 172,550.00	Merchants State Bank
Allen & Mitzi Schrempp	Lantry	6.75%	F	\$ 250,000.00	Norwest Bank
Joe & Tammy Schrempp	Lantry	7.00%	F	\$ 22,180.00	Norwest Bank
Jeb Schock	Bowdle	7.00%	F	\$ 124,500.00	Norwest Bank
Dan & Marcie Kari	Bison	7.00%	F	\$ 45,000.00	Community First State Bank
Eugene & Eleanor Raap	Aberdeen	8.00%	V	\$ 165,000.00	Dacotah Bank

John Schallenkamp	Bridgewater	6.50%	F	\$ 36,000.00	Farmers State Bank
Wendy Nielsen-Fry	Pierre	6.75%	V	\$ 189,680.00	First National Bank
Brandon Rock	Long Valley	7.50%	F	\$ 160,000.00	First Fidelity Bank
Joe & Tammy Schrempp	Lantry	7.00%	F	\$ 40,000.00	Norwest Bank
Craig & Doriene Olson	Mound City	7.00%	F	\$ 22,700.00	Norwest Bank
John & Gayle Bechen	Letcher	7.25%	V	\$ 37,800.00	Norwest Bank
Brodie James Dailey	Clear Lake	6.00%	F	\$ 67,200.00	CFD
Brodie James Dailey	Clear Lake	6.00%	F	\$ 63,626.82	CFD
Richard J Wells	Clark	7.00%	F	\$ 225,000.00	CFD
Louis & Jacquelyn Fritz	Raymond	6.50%	F	\$ 45,000.00	CFD
Larry K & Kristie M Gordon	Hitchcock	7.50%	F	\$ 24,000.00	Marquette Bank
Brian Smith	Davis	7.00%	F	\$ 240,929.49	Dakota Heritage State Bank
Mark Houerstadt	Florence	7.50%	F	\$ 30,000.00	Peoples State Bank
Brian & Jeff Feistner	Woonsocket	7.00%	F	\$ 29,500.00	Community First State Bank
Jason & Joey Pekarek	Highmore	7.50%	V	\$ 160,000.00	Hand County State Bank
Charles Ericksen	Garretson	7.50%	F	\$ 72,000.00	First National Bank
Cory & Melissa Schrag	Marion	6.50%	F	\$ 163,000.00	Farmers State Bank
Jarrod Kramer	Freeman	6.50%	F	\$ 231,250.00	Farmers State Bank
Todd Sprung	Corona	7.20%	V	\$ 118,900.00	CenBank
				\$6,379,615.81	

During fiscal year 1998, \$6.38 million in Beginning Farmer bonds were issued to fifty-seven Beginning Farmers. The average bond issue was \$112,140 with an average tax-exempt interest rate of 7.05%. Sixty-four percent of the bonds received fixed interest rates. Lending institutions purchased eighty-six percent of the bond issues, and the remaining bonds financed contract for deeds.

FISCAL YEAR 1997 ACTIVITY
Beginning Farmer Bond Program

Name	Location	Rate		Amount	Lender
Dale & Carol Tjarks	Flandreau	5.77%	V	\$ 209,600.00	CFD
Adam Wright	Turton	7.00%	F	\$ 40,365.00	CFD
Darin Schmiedt	Woonsocket	8.00%	F	\$ 20,184.62	CFD
Donald Churchill	Pierre	8.25%	F	\$ 70,000.00	First National Bank
Gilbert G. Rodgers	Wessington	7.00%	F	\$ 147,000.00	CFD
Travis Smith	Harrold	7.50%	F	\$ 27,000.00	First National Bank
Craig L. Goens	Castlewood	7.75%	F	\$ 30,000.00	First Premier Bank
Troy Walraven	Meckling	6.75%	V	\$ 35,000.00	Norwest Bank
David D. Melius	Northville	8.00%	F	\$ 192,000.00	CFD
Lance Larsen	Groton	8.00%	F	\$ 67,000.00	CFD
Gorden L. Kane	Marvin	7.50%	F	\$ 36,480.00	People State Bank
Lyndel & Kimberly Johnson	Bison	6.75%	F	\$ 25,000.00	Community First State Bank
Timothy & Shelly Murphy	White	6.00%	F	\$ 73,800.00	First National Bank
Daniel & Suzanne Crick	Menno	7.00%	F	\$ 227,500.00	CFD
Scott A. Reed	Flandreau	7.25%	F	\$ 70,000.00	First National Bank & Trust
Greg R. Johnson	Shadehill	7.00%	F	\$ 22,110.00	Community First State Bank
Brandon Rau	Java	7.25%	V	\$ 37,500.00	Norwest Bank
Lyndel & Kimberly Johnson	Bison	6.75%	F	\$ 35,525.00	Community First State Bank
Jess A. Martin	Marcus	7.50%	F	\$ 35,000.00	First National Bank
Scott Schauer	Leola	7.50%	F	\$ 29,300.00	Dacotah Bank
Jaylon Gerlach	Stickney	7.00%	F	\$ 49,000.00	Commercial Trust & Savings
DeJon & Jeri Bakken	Keldron	7.00%	F	\$ 18,300.00	Community First State Bank
Jason C. Street	Reville	7.50%	V	\$ 84,000.00	Community State Bank

Dennis & Jill Anderson	Dell Rapids	7.00%	F	\$ 103,896.00	Norwest Bank
Travis A. Smith	Harrold	6.75%	V	\$ 31,500.00	First National Bank
Jeff & Margie Parmely	St. Lawrence	7.50%	V	\$ 78,400.00	Hand County State Bank
Cameron J. Miles	Meadow	7.00%	F	\$ 21,600.00	Community First State Bank
Greg & Edith Stamp	Astoria	6.25%	F	\$ 23,000.00	First National Bank
Tim Dagal	Watertown	7.75%	V	\$ 51,520.00	Peoples State Bank
Chipp I. Gerlach	Stickney	7.00%	F	\$ 40,000.00	Commercial Trust & Savings
Ronald D. Fravel	Ft. Pierre	6.75%	V	\$ 80,000.00	First National Bank
Dean Ramlo	Brookings	6.25%	V	\$ 46,000.00	First National Bank
David & Sandra Elofson	Brandon	7.00%	V	\$ 118,000.00	First National Bank
David Richard Schmidt	Flandreau	7.25%	F	\$ 42,000.00	First National Bank
Ross J. Hunter	Ardmore	6.75%	V	\$ 250,000.00	First National Bank
Mark Johnson	Reville	7.00%	F	\$ 128,000.00	Bank of South Dakota
Kenneth & Holly Veldkamp	Dell Rapids	7.75%	F	\$ 106,000.00	First National Bank
Donavon & Michelle Tilberg	Mt. Vernon	7.00%	F	\$ 17,000.00	Commercial Trust & Savings
Wyn & Charlene Johnson	Baltic	7.85%	F	\$ 150,000.00	First National Bank
				\$2,868,580.62	

Thirty-nine bonds were issued during fiscal year 1997 exceeding \$2.87 million. The average bond issue and interest rate were \$73,553 and 7.15%, respectively. Seventy-two percent of bond issues received a fixed interest rate, and lending institutions purchased eighty-two percent of the bond issues.

FISCAL YEAR 1996 ACTIVITY
Beginning Farmer Bond Program

Name	Location	Rate		Amount	Lender
Ryan Ronning	Alcester	6.55%	V	\$ 75,000.00	Alcester State Bank
Robert & Sheila Schlechter	Miller	7.50%	F	\$ 200,646.00	First State Bank
Travis F. Peterson	Bradley	7.25%	F	\$ 42,000.00	Dacotah Bank
Gary Schauer	Leola	6.50%	V	\$ 30,355.00	Dacotah Bank
Scott Daniel Schauer	Leola	6.50%	V	\$ 36,550.00	Dacotah Bank
Randy & Diana Erickson	Platte	7.50%	F	\$ 190,000.00	CFD
Michael Finkbeiner	Roscoe	8.25%	V	\$ 42,000.00	Farmers State Bank
Albert Richardson	Geddes	8.00%	F	\$ 105,263.00	CFD
				\$721,814.00	

Summarizing the activity during fiscal year 1996 in which the program began accepting applications in February 1996, eight bond series were issued for \$721,814 with the average bond amount of \$90,227 and an average interest rate of 7.26%. Fifty percent of the bonds received fixed interest rates, and the remaining fifty percent were variable or adjustable rates. Lending institutions purchased seventy-five percent of the bond issues and the remaining bonds purchased by contract sellers.

AGRIBUSINESS BOND
FISCAL YEAR 2014 ACTIVITY
Agribusiness Bonding Program

Name	Location	Rate	Amount	Lender
Yankton Ag Service, Inc.	Yankton	2.80%	500,000	First National Bank SD

One Agribusiness Bond was closed in State Fiscal Year (SFY) 2014 for \$500,000.

FISCAL YEAR 2012 ACTIVITY
Agribusiness Bonding Program

Name	Location	Rate	Amount	Lender
Stuart Samson	Eden	4.75%	\$340,000	Great Plains Bank

One Agribusiness Bond was closed in SFY 2012 for \$340,000.

FISCAL YEAR 2011 ACTIVITY
Agribusiness Bonding Program

Name	Location	Rate	Amount	Lender
Joseph Fritz	Rosholt	5.17%	\$557,975	Great Western Bank

One Agribusiness Bond was closed in SFY 2011 for \$557,975.

FISCAL YEAR 2009 ACTIVITY
Agribusiness Bonding Program

Name	Location	Rate	Amount	Lender
Dakota Layers, LLP	Flandreau	5.25%	\$1,389,598	U.S Bank- Spencer, IA

One Agribusiness Bond was closed in SFY 2009 for \$1,389,598.

FISCAL YEAR 2008 ACTIVITY
Agribusiness Bonding Program

Name	Location	Rate	Amount	Lender
Farmers Ag LLC	Madison	6.35%	\$5,804,927	First Bank & Trust
SD Oilseed Processors LLC	St. Lawrence	6.75%	\$10,000,000	First Bank & Trust
			\$15,804,927	

Two Agribusiness Bonding program loans were closed in SFY 2008 for \$15,804,927.

FISCAL YEAR 2006 ACTIVITY
Agribusiness Bonding Program

Name	Location	Rate	Amount	Lender
Wild Dutchman Products, Inc	Mound City	6.75%	\$325,000	Campbell County Bank

During fiscal year 2006, the fourth Agribusiness Bond was issued for the above project. Wild Dutchman Products, Inc used the bond proceeds to purchase equipment and construct a new building for their seed business in Mound City.

FISCAL YEAR 2002 ACTIVITY
Agribusiness Bonding Program

Name	Location	Rate	Amount	Lender
Farmers Elevator Company	Humboldt	6.25%	\$600,000	Wells Fargo Bank

During fiscal year 2002, the third Agribusiness Bond was issued for the above project. The Farmers Elevator in Humboldt used the bond proceeds to construct a fertilizer storage/blending facility and for equipment.

FISCAL YEAR 2001 ACTIVITY
Agribusiness Bonding Program

Name	Location	Rate		Amount	Lender
Sterling Technologies	Toronto	6.25%	F	\$ 420,000	First National Bank

During fiscal year 2001, the second Agribusiness Bond was issued for the project listed above. The bond was issued to purchase equipment and construct facilities to process colostrum for animal and human consumption.

FISCAL YEAR 1999 ACTIVITY
Agribusiness Bonding Program

Name	Location	Rate		Amount	Lender
Castlewood Farmer's Elevator	Castlewood	7.50%	F	\$ 500,000	Citizen's State Bank

The Agribusiness Bonding Program was utilized for the first time by the aforementioned project with Castlewood Farmer's Elevator. By using tax-exempt bonds to finance the construction and equipment for the feed mill, the business realized an interest rate 150 basis points less than conventional financing. Over the life of the loan, the tax-exempt rate results in substantial savings to the business.

LIVESTOCK NUTRIENT MANAGEMENT BOND

FISCAL YEAR 2015 ACTIVITY
Livestock Nutrient Management Bond Program

Name	Location	Rate		Amount	Lender
Jeff Howard	Groton	4.00%	F	\$ 195,000	Home Federal Bank
Sterling Technology, Inc.	Brookings	4.00%	F	\$ 163,000	First Bank & Trust
Lincoln Land LLC	Centerville	4.00%	F	\$5,500,000	Frazer Lanier Co. Inc.
				\$ 5,858,000	

Three Livestock Nutrient Management Bonds were issued in State Fiscal Year (SFY) 2015 for a total of \$5,858,000.

FISCAL YEAR 2014 ACTIVITY
Livestock Nutrient Management Bond Program

Name	Location	Rate		Amount	Lender
Britannia Dairy, LLP	Flandreau	4.25%	F	\$ 106,715	First Bank & Trust

One Livestock Nutrient Management Bond was issued in SFY 2014 for \$106,715.

FISCAL YEAR 2009 ACTIVITY
Livestock Nutrient Management Bond Program

Name	Location	Rate		Amount	Lender
Dutch Dakota Dairy	Lake Preston	6.25%	F	\$259,260	Home Federal Bank
Dakota Layers, LLP	Flandreau	5.25%	F	\$1,900,000	U.S. Bank-Spencer, IA
Patrick Taggart	Dallas	4.75%	F	\$150,000	BankWest
Modak Dairy	Goodwin	6.30%	F	\$663,350	Home Federal Bank
				\$2,972,610	

A total of four Livestock Nutrient Management Bonds were issued in SFY 2009. These four bonds totaled \$2,972,610.

FISCAL YEAR 2008 ACTIVITY
Livestock Nutrient Management Bond Program

Name	Location	Rate		Amount	Lender
Lazylot Dairy Inc.	Cottonwood	6.00%	F	\$150,000	Home Federal Bank
Swier Dairy Limited Partnership	Ramona	6.00%	F	\$350,000	Home Federal Bank
Wildrose Dairy, LP	Brandt	6.75%	F	\$309,060	First Bank & Trust
Mossing's Dairy Inc.	Egan	6.50%	F	\$350,000	Home Federal Bank
				\$1,159,060	

A total of four Livestock Nutrient Management Bonds were issued in SFY 2008. These four bonds totaled \$1,159,060.

FISCAL YEAR 2007 ACTIVITY
Livestock Nutrient Management Bond Program

Name	Location	Rate		Amount	Lender
Drumgoon Dairy Partnership	Lake Norden	6.0%	F	\$309,931	First Bank & Trust
Global Dairy Partnership	Bruce	7.0%	F	\$290,990	MetaBank
Hiles Farms, Inc	Wolsey	7.15%	F	\$135,299	American Bank & Trust
Wellhouse Dairy	Castlewood	7.5%	F	\$52,000	Citizens State Bank
Mill Valley Dairy, LLC	Milbank	7.0%	F	\$211,140	First Bank & Trust
Old Tree Farms, LLC	Brookings	7.0%	F	\$181,060	First Bank & Trust
Royalwood Farms Partnership	Brandon	6.5%	F	\$180,000	Home Federal Bank
Rodell Storbakken	Sisseton	5.25%	V	\$77,675	Dacotah Bank
				\$1,438,095	

A total of eight Livestock Nutrient Management Bonds were issued in SFY 2007. These eight bonds totaled \$1,438,095.

FISCAL YEAR 2006 ACTIVITY
Livestock Nutrient Management Bond Program

Name	Location	Rate		Amount	Lender
Stockmen's Livestock Market	Yankton	5.6%	V	\$425,000	First Dakota National Bank
LDL Cattle Company	Ipswich	5.5%	F	\$315,000	Campbell County Bank
Philip Livestock Auction	Philip	5.2%	F	\$50,000	First National Bank
				\$790,000	

In State Fiscal Year 2006, five Livestock Nutrient Management Bond applications were received with three of these closing in SFY 2006 for \$790,000.

FISCAL YEAR 2005 ACTIVITY
Livestock Nutrient Management Bond Program

Name	Location	Rate		Amount	Lender
Prairie Gold Dairy, LLC	Flandreau	1.33%	V	\$3,000,000	W.R. Taylor Co., LLC

One Livestock Nutrient Management Bond was closed in SFY 2005 for \$3,000,000.

FISCAL YEAR 2002 ACTIVITY
Livestock Nutrient Management Bond Program

Name	Location	Rate		Amount	Lender
Boadwine Farms, Inc.	Baltic	5.50%	F	\$300,000	First National Bank

One Livestock Nutrient Management Bond closed in SFY 2002 for \$300,000.

VALUE ADDED AGRIBUSINESS RELENDING PROGRAM

FISCAL YEAR 2015 ACTIVITY
Value Added Agribusiness Relending Program

Name	Location	Rate	Amount	Product
Dakota Butcher	Clark	3.0%	\$180,000	Meat Products
AgVision Labs LLC	Alpena	3.0%	\$250,000	Soil Test & Analysis
			\$430,000	

In SFY 2015, two loans totaling \$430,000 were closed.

FISCAL YEAR 2014 ACTIVITY
Value Added Agribusiness Relending Program

Name	Location	Rate	Amount	Product
White Headed Robin Winery	Viborg	3.0%	\$ 55,000	Wine
Jackson Winery	Belle Fourche	3.0%	\$150,000	Wine
			\$205,000	

In SFY 2014, two loans totaling \$205,000 were closed.

FISCAL YEAR 2012 ACTIVITY
Value Added Agribusiness Relending Program

Name	Location	Rate	Amount	Product
Prairie Berry Winery	Hill City	3.0%	\$109,200	Wine
			\$109,200	

In SFY 2012, one loan for \$109,200 was closed.

FISCAL YEAR 2011 ACTIVITY
Value Added Agribusiness Relending Program

Name	Location	Rate	Amount	Product
Kevin and Michelle Franker	Viborg	3.0%	\$50,000	Wine
			\$50,000	

One loan was closed in SFY 2011 for \$50,000.

FISCAL YEAR 2010 ACTIVITY
Value Added Agribusiness Relending Program

Name	Location	Rate	Amount	Product
Tri-Ag Sales	Hurley	3.0%	\$150,000	Seed
Tim Tiede	Parkston	3.0%	\$150,000	Seed
			\$300,000	

Two Value Added Agribusiness Relending program loans were closed in SFY 2010 for \$300,000

FISCAL YEAR 2007 ACTIVITY
Value Added Agribusiness Relending Program

Name	Location	Rate	Amount	Product
Hecla Feed, LLC	Hecla	6.25%	\$20,000	Feed
			\$20,000	

One Value Added Agribusiness Relending program loan was closed in SFY 2007 for \$20,000.

FISCAL YEAR 2006 ACTIVITY
Value Added Agribusiness Relending Program

Name	Location	Rate	Amount	Product
Steck Wholesale Foods	North Sioux City	4.75%	\$150,000	English Muffins
Kim and Gloria Jorgenson	Waubay	5.25%	\$120,000	Meat Products
			\$270,000	

Two VAARP loans were closed in SFY 2006 totaling \$270,000.

FISCAL YEAR 2005 ACTIVITY
Value Added Agribusiness Relending Program

Name	Location	Rate	Amount	Product
Prairie Berry, LLC	Hill City	4.00%	\$61,300	Wine
Glacial Lakes Meat & Proc.	Britton	4.00%	\$175,000	Meat Products
Dakota Farms International	Willow Lake	4.00%	\$105,000	Barley Tea
Valiant Vineyards, Inc.	Vermillion	4.00%	\$150,000	Wine
Prairie Berry, LLC	Hill City	4.00%	\$83,700	Wine
			\$575,000	

In fiscal year 2005, five direct loans were made totaling \$575,000.

FISCAL YEAR 2004 ACTIVITY
Value Added Agribusiness Relending Program

Name	Location	Rate	Amount	Product
Glendon Shearer	Wall	4.00%	\$52,000	Cedar Dowels
Dakota Shine	Mitchell	4.00%	\$75,000	Seed Oil
Frohling's Meat, Inc.	Hecla	4.00%	\$30,650	Meat
			\$157,650	

Three loans were made in fiscal year 2004 totaling \$157,650.00.

FISCAL YEAR 2003 ACTIVITY
Value Added Agribusiness Relending Program

Name	Location	Rate	Amount	Product
K Bar J Enterprises	Newell	4.00%	\$20,000	Leather
Dakota Shine	Mitchell	4.00%	\$50,000	Seed Oil
Dakota Shine	Mitchell	4.00%	\$25,000	Seed Oil
Beverly J. Hubers	Brandon	4.00%	\$53,000	Horticulture
Hecla Feed, LLC	Hecla	4.00%	\$150,000	Feed

Peanotz, Inc.	Carpenter	4.00%	\$150,000	Soybeans
			\$448,000	

In fiscal year 2003, the Value Added Finance Authority awarded nine loans totaling \$448,000 at four percent interest. The average loan was \$74,667.

FISCAL YEAR 2002 ACTIVITY
Value Added Agribusiness Relending Program

Name	Location	Rate	Amount	Product
K Bar J Enterprises	Newell	4.00%	\$10,000	Leather
Frohling's Meats, Inc.	Hecla	4.00%	\$113,250	Meat
Frohling's Meats, Inc.	Hecla	4.00%	\$5,000	Meat
			\$128,250	

Three loans were awarded through the Value Added Agribusiness Relending Program in fiscal year 2002 totaling \$128,250 for processing businesses.

VALUE ADDED SUB FUND

FISCAL YEAR 2015 ACTIVITY
Value Added Sub Fund

Name	Location	Rate	Amount	Project
Ring-Neck Energy & Feed	Onida	0.00%	\$22,500	Ethanol Processing Study
CLR, LLC	Sioux Falls	0.00%	\$27,565	Biodiesel Production Study
			\$50,065	

In addition to the two feasibility study applications approved for a total of \$50,065, VAFA commissioned a \$100,000 study for the County Site Analysis Program (CSAP) for SFY 2015.

FISCAL YEAR 2014 ACTIVITY
Value Added Sub Fund

Name	Location	Rate	Amount	Project
Global Dairy, LP	Estelline	0.00%	\$33,750	Digester Study
			\$33,750	

In addition to the one application approved for \$33,750, the VAFA commissioned a \$100,000 study for the County Site Analysis Program (CSAP) in SFY 2014.

AMERICAN RECOVERY AND REINVESTMENT ACT BONDS

FISCAL YEAR 2011 ACTIVITY
American Recovery and Reinvestment Act

Name	Location	Rate	Amount	Product
Lumber Exchange, LLC	Sioux Falls	2.8215%Ind	\$18,350,000	Building
Retail at Dawley Farm, LLC	Sioux Falls	4.5%	\$4,600,000	Building
DT Builders, LLC	Mitchell	4.5%	\$1,800,000	Building
			\$24,750,000	

Three bonds were closed in fiscal year 2011 totaling \$24,750,000 economic development projects in South Dakota.

Board Members and Staff

VALUE ADDED FINANCE AUTHORITY MEMBERS

The powers of the Authority are vested in its Board of Directors. These seven individuals appointed by the Governor, consist of the following:

Robert Hull – Chairman

Mr. Hull served as the Executive Director of the Northeast South Dakota Community Action Program for 30 years prior to semi-retiring in 2004 and then serving the agency (N/K/A Grow South Dakota) as an advisor through 2009. Mr. Hull also served as the Executive Director of a sister organization, the Northeast South Dakota Economic Corporation for 26 years. Three years prior to becoming Executive Director, he was the Head Start Director. He was an instrumental advisor in the organization of the Beadle and Spink Enterprise Community (BASEC). In 1998 he was recognized as the Small Business Advocate of the Year for South Dakota and Region VIII by the Small Business Administration. Prior to 1971, he taught school for two years in Herreid, SD. From January 2010 to January 2013, Bob served as a Loan Originator (covering SD) for the Community Development Bank, Ogema, MN. He served as the Acting Director of BASEC in late 2011 and early 2012. Mr. Hull was recently appointed to the Sisseton Whapeton Oyate Economic and Housing Development Board of Directors.

Mr. Hull is a past Chairman and board member of the Dakota Resources, Inc. (fka SD Rural Enterprises Inc.). He served as a member of the board for the Rural Learning Center and was an active member and President of the Sisseton Economic Development Corporation. Mr. Hull also serves on a number of other boards and committees too numerous to mention. He has served on the Value Added Finance Authority Board since inception in the mid-1990's, serving as Chairman for most of his term.

Mr. Hull graduated from Sisseton High School at Sisseton, SD and was honored as Alumnus of the Year in 2006. He received a B.S. Degree from Northern State University in 1968. Mr. Hull and his wife, Colette, are life-long residents of Sisseton, SD. They have two daughters, Andree Hull and Dawn Horner, and three grandchildren, Trey, Tyler, and Abby.

Mark Gross – Vice Chairman

Mark Gross is a fourth generation producer on his family's diversified crop and livestock farm located in Hutchinson County. The operation consists of corn, soybeans, wheat, alfalfa, grass hay, a cow/calf beef operation and custom spraying. In addition to farming Mr. Gross is a seed advisor for Golden Harvest Seeds, serves on the Seed Advisor Executive Council for Syngenta, and is the owner of the Seed Mill in Bridgewater.

Mr. Gross is actively involved on the Board of Directors with the South Dakota Corn Growers Association and the South Dakota Corn Utilization Council. He has served as both Vice President and President of both organizations. He previously served as president of the Bridgewater Farmers Union Coop, and serves as the Pleasant Township Clerk. Mr. Gross was appointed to the Value Added Finance Authority board in 2001.

Mr. Gross obtained his Bachelor of Arts degree in Business Administration from Augustana College and in his spare time, he enjoys spending time with his family and traveling. Mark and his wife, Stacy, reside in Sioux Falls with their four children: Kaylee, Alexis, Landon and Allison.

Jim Doolittle

Mr. Doolittle recently served thirteen years as the Executive Director of Black Hills Community Economic Development and currently is an economic development consultant. He was formerly a K-12 School Administrator in Western South Dakota for 30 years. He has, along with his wife Karen, been lifetime owners/operators of a family cattle operation in Harding County near Buffalo, SD.

Mr. Doolittle is a high school graduate from Buffalo, South Dakota. He continued his education at Black Hills State University, where he graduated with a B.S. and M.S. in Education and Education Administration. Mr. Doolittle is a member of Harding County Stock Growers and S.D. Grasslands Coalition. He is a former member of the South Dakota Rural Enterprise Board of Directors, Phi Delta Kappa (professional education group), and the Rural Learning Center Advisory Board.

Mr. Doolittle currently resides in Belle Fourche with his wife Karen. They have three children Charles, Leslie, and Samantha. Mr. Doolittle was appointed to the Value Added Finance Authority in November of 2008. Mr. Doolittle's personal and professional interest is to help strengthen the economy of South Dakota so more opportunities are available for young people to stay in the state.

Bill Hansen

Mr. Hansen is involved in a family farming operation near Centerville. Bill and his wife, Jan, have 4 grown children and 4 grandchildren. In addition to farming and raising his family, Bill has been involved in agricultural finance for 25 years as an Ag loan officer, loan packager, and finance counselor. He is currently loan officer at the South Eastern Council of Government, working as Ag finance counselor, FSA guaranteed loan packager as well as working with SDHDA's Governor's house program.

Mr. Hansen serves on the Federal Home Loan Bank of Des Moines (FHLBDM) advisory council, South Dakota Housing Development Authority (SDHDA), Sioux Empire Housing Partnership, Interlakes Community Action Partnership, and the Centerville School Board.

Mr. Hansen graduated from Centerville High School in 1975 and received his Bachelor of Science Degree from South Dakota State University in Animal Science in 1979 and his Teaching Certification in 1984. He also successfully completed the ABA Ag School of Banking, ABA Graduate School of Banking, SDARL, NDC Housing Development, and NeighborWorks Community Economic Development curriculums. Mr. Hansen was appointed to the board of the South Dakota Value Added Finance Authority in 2007.

Marcia Hendrickson

Marcia Hendrickson is the President and CEO of Mitogenetics, LLC. It is a research and development company that has developed compounds for treating mitochondrial diseases. She is also a partner with Val Add Service Corporation where she is involved in starting new businesses including value added agriculture businesses and other innovative companies.

Ms. Hendrickson was appointed by SD Governor Rounds to the Value Added Finance Authority in 2007. Marcia graduated from South Dakota State University with a Bachelor of Science in Microbiology and is also a Certified Public Accountant. Marcia and her

husband, Chuck, live outside of Chancellor, SD. They have 3 children, Ann, Katie, and Joe.

Charles (Chuck) Jepson

Chuck Jepson and his wife Ginger reside in Fort Pierre, SD. Over the past 15 years, Mr. Jepson has started several agriculture ventures including Harrold Grain Company, Hi-Plains Agronomy, Global Harvest Birdfood of South Dakota, and Liberty Grain. Mr. Jepson is currently CEO of Harvesting Technology. His company markets proprietary, value added opportunities to the ethanol and biofuels industry. Mr. Jepson is also a member of Iron Horse, LLC which is currently developing several agricultural business models served by the Dakota Southern Railroad.

Mr. Jepson grew up on the family farm near Tea, SD. He graduated from Lennox High in 1975 and University of Sioux Falls in 1979 with a degree in Economics. Chuck Jepson was appointed to the Value Added Finance Authority Board by Governor Dugaard in July 2011.

Nathan Jensen

Nathan Jensen, his wife Kristin, their son, Grant, and daughter, Addison, reside in rural Beresford where they raise corn and soybeans. Nathan attended South Dakota State University and graduated from Cal Poly with an undergraduate degree in Food Marketing and Agribusiness Management as well as a Master's in Business Administration. Previously, he spent twelve years in agribusiness lending with the Farm Credit System and a commercial bank. Today, Mr. Jensen is serving as the Chief Financial Officer for Meadowvale Dairy, LLC, a 12,000 head dairy operation located between Canton, SD and Rock Valley, IA and young stock operations located in Arizona and California. He provides financial leadership for the company, oversees the finance function for the organization, and has spearheaded the reorganization of the company into three primary operating units: operations, livestock, and administration.

Mr. Jensen is a Board Member of the Central Plains Dairy Association, President of the Watchdog Education Foundation, and serves on the Governor's Ag Advisory Committee. Nathan is also an alumni of the South Dakota Ag and Rural Leadership Program (Class VII). Mr. Jensen was appointed to the Value Added Finance Authority Board by Governor Dugaard in January 2014.

Staff and Attorney

The Division of Agricultural Development within the Department of Agriculture services the Value Added Finance Authority's programs. Members of the Department of Agriculture staff providing services during fiscal year 2015 included the following individuals:

Lucas Lentsch	Secretary of the Department of Agriculture
Paul Kostboth	Director, Division of Ag Development
Terri J. LaBrie	Finance Administrator, Division of Ag Development Executive Director, Value Added Finance Authority
Paula Gregg	Finance Specialist, Division of Ag Development
Bond Counsel Attorney	David Claypool, Dorsey & Whitney, LLP Des Moines, IA Tim Engel, May, Adam, Gerdes, and Thompson, Pierre, SD

Financial Reports

**SOUTH DAKOTA VALUE ADDED FINANCE AUTHORITY
STATEMENT OF INCOME AND RETAINED EARNINGS
For the Period Ending June 30, 2015**

<u>REVENUE</u>	<u>June 30, 2015</u>
Application and Loan Fees	\$72,238
Other	<u>\$0</u>
TOTAL REVENUE	\$72,238
<u>EXPENDITURES</u>	
Salaries	\$12,823
Benefits	\$2,875
Travel	\$1,247
Contractual Services	\$40,660
Supplies & Materials	\$550
Other – transfer out	<u>\$1,694</u>
TOTAL EXPENDITURES	\$59,849
NET REVENUES OVER EXPENDITURES	12,389
BEGINNING CASH BALANCE	<u>\$4,635</u>
ENDING CASH BALANCE 6/30/15	<u>\$17,024</u>

**VALUE ADDED SUB FUND
POSITION STATEMENT
For the Period Ending June 30, 2015**

	<u>Loans</u>	<u>Cash</u>	<u>Net Position</u>
Beginning Position	\$609,377.71	\$796,874.20	\$1,406,251.91
Repayments on Loans	(\$26,292.72)		
New draws on Loans	\$88,905.17		
Net Lending Transactions		(\$62,612.45)	
Penalties received on Loans		\$1,912.67	
Interest earned on Acct		\$46.99	
Motor Fuel Tax income		\$135,000.00	
Grant Expense		(\$100,000.00)	
Admin Exp		(\$16,055.90)	
Ending Position:	<u>\$671,990.16</u>	<u>\$755,165.51</u>	<u>\$1,427,155.67</u>

VALUE ADDED AGRIBUSINESS RELENDING PROGRAM (VAARP) FUND
Statement of Income and Retained Earnings
As of June 30, 2015

<u>REVENUE AND DRAWS</u>	<u>June 30, 2015</u>
Application Fees	\$ 400
Draws from USDA	247,500
Draws for Match	82,500
Principal received on Loans	135,240
Interest received on Loans	17,115
Interest earned on Account	1,547
Other	7,994
TOTAL REVENUE	\$ 492,296
<u>EXPENDITURES AND LOANS</u>	
Interest paid USDA, Rural Development	\$ 13,639
Principal paid USDA, Rural Development	81,875
New Loans	430,000
Other, Misc. Expense	3,654
TOTAL EXPENDITURES	\$ 529,168
NET REVENUES OVER EXPENDITURES	\$ (36,872)
BEGINNING CASH BALANCE	1,555,468
ENDING CASH BALANCE	\$ 1,518,596

VALUE ADDED AGRIBUSINESS RELENDING PROGRAM (VAARP) FUND
Balance Sheet -- As of June 30, 2015

ASSETS:	
Cash and Reserves	\$ 1,518,596
Loans Outstanding	692,595
TOTAL ASSETS	\$ 2,211,191
LIABILITIES:	
Loan Payable to USDA, Rural Development	\$ 1,507,866
TOTAL LIABILITIES	\$ 1,507,866
TOTAL FUND BALANCE:	\$ 703,325
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,211,191