

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, MAY 8, 2018, 9:30 A.M. CT**

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**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, APRIL 10, 2018, 9:30 A.M. CT**

*Board
Members:*

Jeff Erickson

Dale Clement

*Sharon
Casey*

John Calvin

Mike Luken

Red Husted

*Don
Ketring*

*Pat
Prostrollo*

Tom Jones

*Vorbert
Sebade*

Reed Kessler

Pat Costello

Watt Judson

Non-Voting

*Spencer
Lawley*

Billie Sutton

Lee Qualm

Blake Curd

**Motion Sheet
(STAFF RECOMMENDATIONS)**

Agenda

Motion to approve the agenda as presented.

Motion made by _____ and seconded by _____.

Minutes

Motion to approve the minutes of the meetings held April 10, 2018 and April 30, 2018, as presented.

Motion made by _____ and seconded by _____.

Conflicts of Interest Disclosures

Commissioners Comments

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 BED entered into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. No action was taken.

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

Motion made by _____ and seconded by _____.

New Business

Masaba, Inc.

Motion to approve the loan request from Masaba, Inc. in the amount of \$540,000. Secured by a second position on specified equipment and a second position on real estate, the personal guaranty of principals with 10% or more ownership and a corporate guaranty of JH Investments, LLC.

The loans are approved according to the terms and conditions of the commitment letter; all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.

Motion made by _____ and seconded by _____.

Please note times:

Call To Order: _____

Executive Session _____

Regular Session _____

Adjournment _____

Bills

Motion to approve the bill payable to PIDC in the amount of \$8,325.

Motion made by _____ and seconded by _____.

Adjourn

Motion made by _____ and seconded by _____.

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, SD
TUESDAY, MAY 8, 2018, 9:30 A.M. CT**

REGULAR SESSION AGENDA

9:30 A.M. Call To Order, Chairman Jeff Erickson

9:35 A.M. **Agenda**
RECOMMENDED ACTION: Motion to approve the agenda as provided or amended.

Minutes
RECOMMENDED ACTION: Motion to approve the minutes of April 10, 2018 and April 30, 2018, as presented.

Conflicts of Interest Disclosures

Monthly Financials
RECOMMENDED ACTION: No action taken.

9:45 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.

10:25 A.M. **Report from Executive Session**
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.

Other Motions
Masaba, Inc.

Bills
PIDC - \$8,325

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.

Participation in the meeting can be at GOED 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.

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, APRIL 10, 2018, 9:30 A.M. CT**

Members Present

Secretary Dale Clement, Tony Klein, Sharon Casey, John Calvin, Mike Luken, Pat Prostrollo, Tom Jones, Spencer Hawley and Billie Sutton

Staff Present

Commissioner Scott Stern, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Ashley Moore, Cassidy Kulesa, LaJena Gruis, Dale Knapp and Mary Lehecka Nelson

Other Staff Present

Sam Helma - BankWest, Inc.

Others Present

Bob Mercer

Call to Order

Secretary Dale Clement called the meeting to order at 9:39 a.m.

Agenda

A motion was made by John Calvin and seconded by Tony Klein to approve the agenda as presented.

Motion passed by a roll call vote.

Minutes

A motion was made by Mike Luken and seconded by John Calvin to approve the minutes of the meetings held March 13, 2018 and March 29, 2018, as presented.

Motion passed by a roll call vote.

Conflicts Disclosure

Secretary Clement opened the floor for board members to identify potential conflicts under SDCL Chapter 3-23. There were none from board members and no objection to proceeding with the agenda.

Special Assets Contract

A motion was made by Pat Prostrollo and seconded by John Calvin to approve the Special Assets Contract as presented.

Motion passed by a roll call vote.

Executive Session

A motion was made by John Calvin and seconded by Sharon Casey to enter into executive session at 10:00 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 Report

The Secretary declared the board out of executive session at 10:25 a.m. The Secretary reported that the Board of Economic Development entered into Executive Session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. No action was taken.

A motion was made by Pat Prostrollo and seconded by Tony Klein to approve the Secretary's report from executive session.
Motion passed by a roll call vote.

Loan Review Summary

Agile Manufacturing, LLC and Bellmark Properties, Inc.

A motion was made by Sharon Casey and seconded by Mike Luken to approve the loan reviews and recommendations as presented.
Motion passed by a roll call vote.

Old Business

Applied Engineering, LLC

A motion was made by Pat Prostrollo and seconded by John Calvin to approve the loan documents as presented.
Motion passed by a roll call vote.

Greater Huron Development Corporation

A motion was made by Pat Prostrollo and seconded by Tony Klein to approve extending the grant agreement date to November 30, 2019.
Motion passed by a roll call vote.

PEDCO/South Dakota Pulse Processors, LLC

A motion was made by Sharon Casey and seconded by Mike Luken to approve the borrower's request to access the rent reserve account as presented.
Motion passed by a roll call vote.

Sioux Falls Development Foundation

A motion was made by Tom Jones and seconded by Sharon Casey to approve the collateral release as presented.
Motion passed by a roll call vote.

New Business

South Dakota Jobs Program

True North Steel, Inc.

A motion was made by Mike Luken and seconded by Pat Prostrollo to approve the South Dakota Jobs grant application of True North Steel, Inc. as recommended by staff.

Having considered the applicable factors and the likelihood the project would not occur in South Dakota without a grant, a South Dakota Jobs grant in the amount of \$26,257, but not to exceed the State Sales and Use Tax paid on eligible equipment costs, is approved for True North Steel, Inc. The project as completed must be substantially similar to the project described in the application and must comply with the applicable deadlines and requirements set forth in statute and administrative rule.
Motion passed by a roll call vote.

Reinvestment Payment Program

Prairie AquaTech Manufacturing, LLC

A motion was made by Sharon Casey and seconded by Pat Prostrollo to approve the Reinvestment Payment application of Prairie AquaTech Manufacturing, LLC as recommended by staff.

Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs

created or retained and wages and benefits to be paid, a new or expanded facility reinvestment payment of \$748,935.00 but not to exceed 100 percent of State Sales/Use Tax paid on eligible project costs, is approved for Prairie AquaTech Manufacturing, LLC. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07.

Motion passed by a roll call vote.

Adjourn

A motion was made by Mike Luken and seconded by Pat Prostrollo to adjourn the meeting at 10:32 a.m.

Motion passed by a roll call vote.

Dale Clement, Secretary

**CREDIT COMMITTEE
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
MONDAY, APRIL 30, 2018, 1:00 P.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Pat Prostrollo, Don Kettering, Norbert Sebade and Reed Kessler

Staff Present

Commissioner Scott Stern, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Ashley Moore and Cassidy Kulesa

Other Staff Present

Sam Helma - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 1:02 p.m.

Agenda

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

Motion passed by a roll call vote.

Conflicts Disclosure – Chairman Erickson opened the floor for committee members to identify potential conflicts under SDCL Chapter 3-23. There were none from committee members and no objection to proceeding with the agenda.

Executive Session

A motion was made by Dale Clement and seconded by Don Kettering to enter into executive session at 1:05 p.m. to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion passed by a roll call vote.

Executive Session Report

The Chairman declared the Credit Committee out of executive session at 1:20 p.m. The Chairman reported that the Board of Economic Development Credit Committee entered into Executive Session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. No action was taken.

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

Motion passed by a roll call vote.

New Business

Masaba, Inc.

Credit Committee recommends to the Board approving the application as presented.

Motion was made by Dale Clement and seconded by Don Kettering.

Motion passed by a roll call vote.

Adjourn

A motion was made by Norbert Sebade and seconded by Reed Kessler to adjourn the meeting at 1:23 p.m.

Motion passed by a roll call vote.

Dale Clement, Secretary

**SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND
FINANCIAL REPORT
(Compiled)
March 31, 2018**

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Clausen & Rice, LLP

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Accountant's Compilation Report

To the Board of Directors
South Dakota Revolving Economic Development and Initiative Fund
Pierre, South Dakota

Management is responsible for the accompanying financial statements of South Dakota Revolving Economic Development and Initiative Fund (an Enterprise Fund of the State of South Dakota) as of March 31, 2018, and the related statements of revenues, expenses and changes in net assets and cash flows for the nine 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.

The supplementary information contained on pages 5 through 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to South Dakota Revolving Economic Development and Initiative Fund.

Clausen & Rice, LLP

Pierre, South Dakota
April 25, 2018

**SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND
STATEMENT OF NET ASSETS**

March 31, 2018

See Accountant's Compilation Report

ASSETS

Cash and Investments-Unrestricted	\$51,940,732
Cash and Investments-Designated for Approved REDI Loans	21,064,620
Cash-SD Jobs	<u>2,068,039</u>
Total Cash and Investments	\$75,073,391
Accounts Receivable-Bankwest	28,327
Loans Receivable - REDI, net of allowance of \$874,441	39,490,462
Loan Interest Receivable	50,687
Net Pension Asset	0
Equipment	0
Due From Other Funds	0
Investment Income Receivable	<u>1,385,112</u>

TOTAL ASSETS \$116,027,979

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources Related to Pensions	<u>128,507</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>128,507</u>

LIABILITIES

Accounts Payable	\$11,179
Wages and Benefits Payable	\$27,443
Accrued Leave Payable	\$25,121
Net Pension Liability	\$52,408
Due To Other Funds	<u>\$8,279</u>

TOTAL LIABILITIES \$124,430

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources Related to Pensions	<u>858</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>858</u>

NET POSITION

Investment in Capital Assets	0
Unrestricted	<u>116,031,198</u>

TOTAL NET POSITION \$116,031,198

TOTAL LIABILITIES AND NET POSITION \$116,156,486

SOUTH DAKOTA REVOLVING

ECONOMIC DEVELOPMENT AND INITIATIVE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Month Ending March 31, 2018

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
OPERATING REVENUE		
Interest Income on Loans - REDI	\$58,467	\$516,365
Ethanol Income - REDI	0	0
Other Income - REDI	8,581	49,883
Building South Dakota Income	0	87,462
LESS OPERATING EXPENSES		
Administrative Expenses	60,542	519,329
Bad Debt Expense	5,250	(64,995)
Other Expenses	1,935	10,918
Building South Dakota Grants	6,345	6,345
NET INCOME (LOSS) FROM OPERATIONS	(\$7,024)	\$182,113
NONOPERATING REVENUE		
Investment Income	153,446	1,407,591
CHANGE IN NET POSITION	\$146,422	\$1,589,704
NET POSITION, BEGINNING	115,884,776	114,441,494
Prior period Adjustment	0	0
NET POSITION, ENDING	<u>\$116,031,198</u>	<u>\$116,031,198</u>

**SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND**

STATEMENT OF CASH FLOWS

For the Month Ending March 31, 2018

See Accountant's Compilation Report

	Current Period	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	\$146,422	\$1,589,704
Adjustments to Reconcile Net Income to Net Cash provided from (used in) Operating Activities:		
(Increase) Decrease in Accounts Receivable - Bankwest	0	0
(Increase) Decrease in Loans Receivable - REDI	(643,191)	(2,472,923)
(Increase) Decrease in Loan Interest Receivable	(4,854)	(21,293)
(Increase) Decrease in Loans Receivable - VASF	0	0
(Increase) Decrease in Equipment	0	0
(Increase) Decrease in VASF Fuel Tax Revenues Receivable	0	0
(Increase) Decrease in Investment Income Receivable	(153,446)	(477,288)
(Increase) Decrease in Due From Other Funds	0	0
(Increase) Decrease in Other Assets	0	0
Increase (Decrease) in Accounts Payable	0	0
Increase (Decrease) in Wages Payable	0	0
Increase (Decrease) in Accrued Leave Payable	0	0
Increase (Decrease) in Grants Payable	0	0
Increase (Decrease) in Due To Other Funds	0	0
	(\$655,069)	(\$1,381,800)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Prior Period Adjustment	0	0
	(\$655,069)	(\$1,381,800)
NET INCREASE IN CASH AND INVESTMENTS	(\$655,069)	(\$1,381,800)
CASH AND INVESTMENTS - BEGINNING	75,728,460	76,455,191
CASH AND INVESTMENTS - ENDING	\$75,073,391	\$75,073,391

**SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND**

ADDITIONAL LOAN INFORMATION - REDI

For the Month Ending March 31, 2018

See Accountant's Compilation Report

REDI LOANS APPROVED, NOT ADVANCED

<u>Company Name</u>	<u>Approval Date</u>	<u>Loan Amount</u>
Applied Engineering, Inc.	03/14/2017 & 07/11/2017	\$ 1,122,600
City of Valley Springs	6/13/2017	\$ 508,750
Tower Properties, LLC	6/13/2017	\$ 1,537,500
Century Custom Molding, Inc.	7/11/2017	\$ 520,000
Vantage Point Solutions, Inc.	7/11/2017	\$ 1,350,000
O'Conner Kiln and Dryer, Inc.	8/8/2017	\$ 440,196
JMo Holdings, Inc.	9/12/2017	\$ 3,600,000
Vermillion Area Chamber of Commerce and Devp.	9/12/2017	\$ 1,696,500
Fiedler Holding, LLC	10/24/2017	\$ 1,152,338
Harvard Integrations, LP	11/14/2017	\$ 1,332,800
Harvard Integrations, LP	11/14/2017	\$ 600,000
Roto Mold, LLC	11/14/2017	\$ 170,000
Roto Mold, LLC	11/14/2017	\$ 256,500
Acquisition Group III, LLC	2/13/2018	\$ 3,099,384
Intrinsic Materials Corp.	2/13/2018	\$ 1,131,750
Intrinsic Materials Corp.	2/13/2018	\$ 2,546,302
Total		<u>\$ 21,064,620</u>

See Accountant's Compilation Report

REDI LOANS ADVANCED, DURING	March	Advanced Date	Loan Amount
<u>Company Name</u>		<u> </u>	<u> </u>
Omega Liner Company, Inc.		3/13/2018	\$858,114

REDI LOANS PAID OFF, DURING	March	Pay-off Date	Original Loan Amount
<u>Company Name</u>		<u> </u>	<u> </u>
None			

REDI LOANS WROTE OFF, DURING	March	Wrote-off Date	Amount Wrote-off
<u>Company Name</u>		<u> </u>	<u> </u>
None			

REDI LOANS WITHDRAWN, DURING	March	Withdrawal Date	Withdrawn Amount
<u>Company Name</u>		<u> </u>	<u> </u>
Doyle Family Land Company, LLC		3/22/2018	\$1,775,000
R & R Holdings, LLC		3/22/2018	\$900,000

**SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND**

ADDITIONAL LOAN INFORMATION - SDJP

For the Month Ending March 31, 2018

See Accountant's Compilation Report

SOUTH DAKOTA JOBS PROGRAM CASH & INVESTMENTS BALANCE

Dedicated SDJP Fund Cash and Investments Balance	2/28/2018	\$2,074,384
Plus: Investment Council Interest		0
South Dakota Jobs		0
		0
Less:		
Specialized Machine, LLC		(6,345)
		0
		0
Dedicated SDJP Fund Cash and Investments Balance	3/31/2018	<u>\$2,068,039</u>

SOUTH DAKOTA JOBS PROGRAM CASH & INVESTMENTS BALANCE APPROVED, NOT ADVANCED

RESTRICTED

<u>Company Name</u>	<u>Approval Date</u>	<u>Amount Remaining</u>	
Applied Engineering, Inc.	3/14/2017	39,801	\$39,801 Authorized
			\$0 Disbursed
Omega Liner Company, Inc.	3/14/2017	90,000	\$90,000 Authorized
			\$0 Disbursed
VRC Metal Systems, LLC	9/12/2017	45,000	\$45,000 Authorized
			\$0 Disbursed
Century Custom Molding, Inc.	10/24/2017	76,500	\$76,500 Authorized
			\$0 Disbursed
Specialized Machine, LLC	12/12/2017	0	\$6,345 Authorized
			\$6,345 Disbursed
		<u>\$251,301</u>	

UNRESTRICTED

Total South Dakota Jobs Program Cash and Investments	\$2,068,039
Less Cash and Investments-Restricted for Approved Loans/Grants	\$251,301
Total Unrestricted South Dakota Jobs Program Cash and Investments	<u>\$1,816,738</u>

**SOUTH DAKOTA LOCAL
INFRASTRUCTURE IMPROVEMENT PROGRAM
FINANCIAL REPORT
(Compiled)
March 31, 2018**

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Clausen & Rice, LLP

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Accountant's Compilation Report

To the Governor's Office of Economic Development
South Dakota Local Infrastructure Improvement Program
Pierre, South Dakota

Management is responsible for the accompanying financial statements of South Dakota Local Infrastructure Improvement Program as of March 31, 2018, and the related statements of revenues, expenses and changes in net assets and cash flows for the nine 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.

The supplementary information contained on pages 5 and 6 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to South Dakota Local Infrastructure Improvement Program.

Clausen & Rice, LLP

Pierre, South Dakota
April 25, 2018

**SOUTH DAKOTA LOCAL
INFRASTRUCTURE IMPROVEMENT PROGRAM
STATEMENT OF NET ASSETS**

March 31, 2018

See Accountant's Compilation Report

ASSETS

Cash and Investments-Unrestricted	\$1,905,878
Cash and Investments-Designated for Approved Grants	3,968,173
	<hr/>
Total Cash and Investments	\$5,874,051
Investment Income Receivable	0
	<hr/>
TOTAL ASSETS	<u><u>\$5,874,051</u></u>

LIABILITIES

	<hr/>
	\$0
	<hr/>
TOTAL LIABILITIES	<u><u>\$0</u></u>

NET POSITION

Unrestricted	<hr/>
	5,874,051
	<hr/>
TOTAL NET POSITION	<u><u>\$5,874,051</u></u>
	<hr/>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$5,874,051</u></u>

SOUTH DAKOTA LOCAL

INFRASTRUCTURE IMPROVEMENT PROGRAM

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Month Period Ending March 31, 2018

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
OPERATING REVENUE		
Investment Income	0	85,140
Transfer In - Building South Dakota	0	437,311
LESS OPERATING EXPENSES		
Administrative Expenses	0	0
Other Expenses	0	0
Grants and Subsidies	0	792,615
NET INCOME (LOSS) FROM OPERATIONS	\$0	(\$270,164)
NONOPERATING REVENUE		
Reclamation of Grants	0	0
CHANGE IN NET POSITION	\$0	(\$270,164)
NET POSITION, BEGINNING	5,874,051	6,144,215
Prior period Adjustment	0	0
NET POSITION, ENDING	<u><u>\$5,874,051</u></u>	<u><u>\$5,874,051</u></u>

**SOUTH DAKOTA LOCAL
INFRASTRUCTURE IMPROVEMENT PROGRAM**

STATEMENT OF CASH FLOWS

For the Month Period Ending March 31, 2018

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	\$0	(\$270,164)
Adjustments to Reconcile Net Income to Net Cash provided from (used in) Operating Activities:		
(Increase) Decrease in Investment Income Receivable	0	0
	\$0	(\$270,164)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Prior Period Adjustment	0	0
	\$0	(\$270,164)
NET INCREASE IN CASH AND INVESTMENTS	\$0	(\$270,164)
CASH AND INVESTMENTS - BEGINNING	5,874,051	6,144,215
CASH AND INVESTMENTS - ENDING	\$5,874,051	\$5,874,051

**SOUTH DAKOTA LOCAL
INFRASTRUCTURE IMPROVEMENT PROGRAM**

LOAN INFORMATION

For the Month Period Ending March 31, 2018

See Accountant's Compilation Report

CASH & INVESTMENTS BALANCE

Fund Cash and Investments Balance	2/28/2018	\$5,874,051
Plus: Investment Council Interest		0
Building South Dakota		0
Administrative Expenses		

Less:

Cash and Investments Balance	3/31/2018	\$5,874,051
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CASH & INVESTMENTS BALANCE APPROVED, NOT ADVANCED

RESTRICTED

<u>Company Name</u>	<u>Approval Date</u>	<u>Amount Remaining</u>	
City of Valley Springs	12/9/2014	0	\$22,589 Authorized
Project cost decreased - returned to funds			\$22,589 Disbursed
Sully County	12/8/2015	400,000	\$400,000 Authorized
			\$0 Disbursed
Arlington Community Development Corporation	3/8/2016	93,750	\$375,000 Authorized
*Decreased to \$375,000 on 3/14/17			\$281,250 Disbursed
Rosebud Economic Development Corporation	3/8/2016	230,573	\$230,573 Authorized
			\$0 Disbursed
Faulkton Area Economic Development Corporation	6/14/2016	96,000	\$384,000 Authorized
			\$288,000 Disbursed
Lincoln County	12/13/2016	300,000	\$300,000 Authorized
			\$0 Disbursed

Brown County	3/14/2017	308,500	\$208,500 Authorized \$0 Disbursed
Greater Huron Devp. Corp.	3/14/2017	150,000	\$600,000 Authorized \$450,000 Disbursed
Grovena Township	3/14/2017	250,000	\$250,000 Authorized \$0 Disbursed
Town of Dimock	6/13/2017	23,350	\$23,350 Authorized \$0 Disbursed
Sioux Falls Development Corp	6/13/2017	50,000	\$200,000 Authorized \$150,000 Disbursed
City of Elk Point	6/13/2017	200,000	\$200,000 Authorized \$0 Disbursed
City of Volga	6/13/2017	500,000	\$500,000 Authorized \$0 Disbursed
Four Bands Community Fund	6/13/2017	170,000	\$170,000 Authorized \$0 Disbursed
City of Box Elder	9/12/2017	379,000	\$379,000 Authorized \$0 Disbursed
Yankton Area Progressive Growth	9/12/2017	0	\$88,000 Authorized \$88,000 Disbursed
City of Beresford	12/12/2017	317,000	\$317,000 Authorized \$0 Disbursed
City of Mitchell	12/12/2017	200,000	\$200,000 Authorized \$0 Disbursed
City of North Sioux City	3/13/2018	250,000	\$250,000 Authorized \$0 Disbursed
City of Aurora	3/13/2018	50,000	\$50,000 Authorized \$0 Disbursed
		<u>\$3,968,173</u>	

UNRESTRICTED

Total Cash and Investments	\$5,874,051
Less Cash and Investments-Restricted for Approved Grants	\$3,968,173
Total Unrestricted Cash and Investments	<u>\$1,905,878</u>

**SOUTH DAKOTA ECONOMIC
DEVELOPMENT PARTNERSHIP PROGRAM
FINANCIAL REPORT
(Compiled)
March 31, 2018**

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Clausen & Rice, LLP

Certified Public Accountants and Business Consultants

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Accountant's Compilation Report

To the Governor's Office of Economic Development
South Dakota Economic Development Partnership Program
Pierre, South Dakota

Management is responsible for the accompanying financial statements of South Dakota Economic Development Partnership Program as of March 31, 2018, and the related statements of revenues, expenses and changes in net assets and cash flows for the nine 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.

The supplementary information contained on pages 5 and 6 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to South Dakota Economic Development Partnership Program.

Clausen & Rice, LLP

Pierre, South Dakota
April 25, 2018

**SOUTH DAKOTA ECONOMIC
DEVELOPMENT PARTNERSHIP PROGRAM
STATEMENT OF NET ASSETS**

March 31, 2018

See Accountant's Compilation Report

ASSETS

Cash and Investments-Unrestricted	\$227,652
Cash and Investments-Designated for Approved Loans	592,386
	<hr/>
Total Cash and Investments	\$820,038
Investment Income Receivable	0
	<hr/>
	0
TOTAL ASSETS	<u><u>\$820,038</u></u>

LIABILITIES

	<hr/>
	\$0
TOTAL LIABILITIES	<u><u>\$0</u></u>

NET POSITION

Unrestricted	<hr/>
	820,038
TOTAL NET POSITION	<u><u>\$820,038</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$820,038</u></u>

**SOUTH DAKOTA ECONOMIC
DEVELOPMENT PARTNERSHIP PROGRAM
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

For the Month Period Ending March 31, 2018

See Accountant's Compilation Report

	Current Period	Year to Date
OPERATING REVENUE		
Investment Income	0	23,590
Transfer In - Building South Dakota	0	87,462
LESS OPERATING EXPENSES		
Administrative Expenses	0	0
Grants and Subsidies	0	522,210
	\$0	(\$411,158)
NET INCOME (LOSS) FROM OPERATIONS		
NONOPERATING REVENUE		
Reclamation of Grants	0	0
	\$0	(\$411,158)
CHANGE IN NET POSITION		
NET POSITION, BEGINNING	820,038	1,231,196
Prior period Adjustment	0	0
NET POSITION, ENDING	\$820,038	\$820,038

**SOUTH DAKOTA ECONOMIC
DEVELOPMENT PARTNERSHIP PROGRAM
STATEMENT OF CASH FLOWS**

For the Month Period Ending March 31, 2018

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	\$0	(\$411,158)
Adjustments to Reconcile Net Income to Net Cash provided from (used in) Operating Activities:		
(Increase) Decrease in Investment Income Receivable	0	0
	<hr/>	<hr/>
Net Cash provided from (used in) Operating Activities	\$0	(\$411,158)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Prior Period Adjustment	0	0
	<hr/>	<hr/>
NET INCREASE IN CASH AND INVESTMENTS	\$0	(\$411,158)
CASH AND INVESTMENTS - BEGINNING	<u>820,038</u>	<u>1,231,196</u>
CASH AND INVESTMENTS - ENDING	<u><u>\$820,038</u></u>	<u><u>\$820,038</u></u>

**SOUTH DAKOTA ECONOMIC
DEVELOPMENT PARTNERSHIP PROGRAM
LOAN INFORMATION - EDPP
For the Month Period Ending March 31, 2018
See Accountant's Compilation Report**

CASH & INVESTMENTS BALANCE

Fund Cash and Investments Balance	2/28/2018	\$820,037.81
Plus: Investment Council Interest Contribution		\$0.00
Less:		\$0.00

Dedicated Fund Cash and Investments Balance	3/31/2018	\$820,037.81
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CASH & INVESTMENTS BALANCE APPROVED, NOT ADVANCED

RESTRICTED

<u>Company Name</u>	<u>Approval Date</u>	<u>Amount Remaining</u>	
Belle Fourche Development Corp.	9/11/2013 ~	16,901.82	\$79,495 Authorized
*Moved \$23,505 to uncommitted balance on 12/9/14			\$62,593 Disbursed
Arlington Community Development Corp.	10/8/2013	16,603.34	\$88,310 Authorized
*Approved \$33,310 increase on 12/9/14			\$71,707 Disbursed
Southern Hills Economic Development Corp.	9/11/2013	7,117.59	\$56,900 Authorized
			\$49,782 Disbursed
De Smet Development Corp.	10/8/2013	3,287.90	\$42,820 Authorized
*Moved \$9,941 to uncommitted balance on 12/9/14			\$29,592 Disbursed
Faulkton Area Economic Development Corp.	12/10/2013	15,666.00	\$52,220 Authorized
			\$36,554 Disbursed
Lake Francis Case Development Corp.	12/10/2013	7,811.50	\$62,275 Authorized
			\$54,464 Disbursed
Brooking Economic Dev. Corp.	6/10/2014	0.00	\$84,000 Authorized
			\$84,000 Disbursed
Mitchell Area Dev. Corp.	6/10/2014	13,950.20	\$139,502 Authorized
			\$125,552 Disbursed
Aberdeen Development Corporation	12/9/2014	15,054.20	\$150,542 Authorized
			\$135,488 Disbursed

City of Kimball	12/9/2014	12,000.00	\$40,000 Authorized
			\$28,000 Disbursed
Wagner Area Growth, Inc.	12/9/2014	9,055.56	\$78,000 Authorized
			\$68,944 Disbursed
Yankton Area Progressive Growth (IEDC Basic Course)	3/9/2015	42,484.10	\$141,614 Authorized
			\$99,130 Disbursed
City of Wall	6/2/2015	62,098.00	\$125,496 Authorized
			\$63,398 Disbursed
Zeal Center for Entrepreneurship (Prev. South Dakota Business Tech. Center)	6/2/2015	28,655.46	\$95,518 Authorized
			\$66,863 Disbursed
Viborg Economic Development Corporation	12/8/2015	24,915.30	\$41,526 Authorized
			\$16,610 Disbursed
Brookings Economic Development Corporation	3/8/2016	39,900.00	\$133,000 Authorized
			\$93,100 Disbursed
Centerville Economic Development Corporation	3/8/2016	7,804.00	\$13,006 Authorized
			\$5,202 Disbursed
Sioux Falls Development Foundation	6/14/2016	168,589.00	\$280,982 Authorized
			\$112,393 Disbursed
Greater Rapid City Area EDC	6/14/2016	92,992.00	\$154,987 Authorized
			\$61,995 Disbursed
Hartford Area Devp. Corp. (IEDC Basic Course)	6/13/2017	0.00	\$741 Authorized
*Moved \$211.32 to uncommitted balance in FY-18			\$741 Disbursed
South Eastern Development Corp. (RLF)	6/13/2017	0.00	\$125,000 Authorized
			\$125,000 Disbursed
First District Association of Local Governments (RLF)	6/13/2017	0.00	\$250,000 Authorized
			\$250,000 Disbursed
Black Hills Community Economic Development (Trainir	3/13/2018	7,500.00	\$7,500 Authorized
			\$0 Disbursed

592,385.97

UNRESTRICTED

Total Cash and Investments	\$820,038
Less Cash and Investments-Restricted for Approved Loans/Grants	\$592,386
Total Unrestricted Cash and Investments	<u>\$227,652</u>

**Board of Economic Development
May 8, 2018**

BILLS REQUIRING APPROVAL FOR PAYMENT

PIDC	\$8,325.00	Portfol Annual Maintenance
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Date: 2/1/2018

Dale Knapp
 South Dakota Governor's Office of Econ. Devel.
 711 East Wells Avenue
 Pierre, SD 57501

SDG001

	Payment Terms
PORT-S-00008799	Due on receipt
Description	Total
Portfol Support: 1/1/2018 through 12/31/2018	\$8,325
Total Due	\$8,325

Make all checks payable to PIDC

Thank you for your business!

Portfol 1500 Market Street, Suite 2600 West, Philadelphia, PA 19102 800-220-PIDC