

**BOARD OF ECONOMIC DEVELOPMENT  
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD  
TUESDAY, MARCH 14, 2017, 9:30 A.M. CT**

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**BOARD OF ECONOMIC DEVELOPMENT  
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD  
TUESDAY, MARCH 14, 2017, 9:30 A.M. CT**

**Board  
Members:**

*Jeff Erickson*

*Dale Clement*

*Tony Klein*

*Sharon  
Casey*

*John Calvin*

*Michael  
Luken*

*Greg  
Heineman*

*Ted Husted*

*Don  
Kettering*

*Pat  
Prostrollo*

*Tom Jones*

*Norbert  
Sebade*

*Reed Kessler*

*Non-Voting*

*Spencer  
Hawley*

*Billie Sutton*

*Lee Qualm*

**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 February 14, 2017, March 1, 2017 and March 6, 2017, 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 \_\_\_\_\_.

**Grant Reviews**

**Economic Development Partnership Program (Heart of the Hills Development Corporation, Yankton Area Progressive Growth, Centerville Development Corporation, Brookings Economic Development Corporation and West River Foundation (RLF)), Local Infrastructure Improvement Program (Greater Rapid City Area Economic Development Corporation and Arlington Community Development Corporation) and Reinvestment Payment Program (GCC Dacotah, Inc.)**

Motion to approve the Grant Reviews as recommended by staff and Grant Committee.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Economic Development Partnership Program - City of Chamberlain (RLF)**

Motion to approve the Grant Review as recommended by staff and Grant Committee.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

Please note times:

Call To Order: \_\_\_\_\_

Executive Session \_\_\_\_\_

Regular Session \_\_\_\_\_

Adjournment \_\_\_\_\_

**Old Business**

**Arlington Community Development Corporation**

Motion to amend the grant amount to \$375,000 as recommended by staff and Grant Committee.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Rosebud Economic Development Corporation**

Motion to approve an extension of the grant agreement to October 11, 2017 as recommended by staff and Grant Committee.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Sioux Falls Development Foundation**

Motion to approve the specific recommendations for changes to the REDI loan documents as presented.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**New Business**

**Applied Engineering, Inc.**

Motion to approve the loan request from Applied Engineering, Inc. in the amount of \$415,230. Secured by a first collateral position on equipment and a corporate guaranty.

The loan is 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 \_\_\_\_\_.

**Omega Liner Company Inc.**

Motion to approve the loan request from Omega Liner Company Inc. in the amount of \$888,750. Secured by a shared first collateral position on financed assets, the personal guarantee of principals with 10% or more ownership and a corporate guaranty.

The loan is 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 \_\_\_\_\_.

**Economic Development Partnership Program**

**Wagner Area Growth, Inc.**

Motion to approve an Economic Development Partnership grant award to Wagner Area Growth, Inc. in the amount of \$1,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Training only as recommended by staff and Grant Committee.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Faulkton Economic Development Corporation (RLF) and Herreid Economic Development Corporation (RLF)**

Motion to approve as recommended by staff and Grant Committee.

Faulkton Economic Development Corporation (RLF)

- Approve an Economic Development Partnership grant award to the Faulkton Economic Development Corporation (RLF) in the amount of \$50,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Herreid Economic Development Corporation (RLF)

- Approve an Economic Development Partnership grant award to the Herreid Economic Development Corporation (RLF) in the amount of \$70,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Sioux Falls Development Foundation**

Motion to deny the Economic Development Partnership grant to Sioux Falls Development Foundation as recommended by staff and Grant Committee.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Local Infrastructure Improvement Program**

**Brown County, Greater Huron Development Corporation and Grovena Township**

Motion to approve as recommended by staff and Grant Committee.

**Brown County**

- Approve a Local Infrastructure Improvement grant award to Brown County in the amount of \$308,500, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

**Greater Huron Development Corporation**

- Approve a Local Infrastructure Improvement grant award to Greater Huron Development Corporation in the amount of \$600,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

**Grovena Township**

- Approve a Local Infrastructure Improvement grant award to Grovena Township in the amount of \$250,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Applied Engineering, Inc.**

Motion to approve the South Dakota Jobs grant application of Applied Engineering, Inc. as recommended by staff in the board packet.

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 \$39,801.29, but not to exceed 100% of the State Sales and Use Tax

paid on eligible equipment costs, is approved for Applied Engineering, Inc. The Jobs Grant will be paid in two installments. The first installment, in the amount of \$19,900.65, will be paid upon completion of installation of the equipment described in the Application as "Phase One". The second installment, in the amount of \$19,900.64, will be paid if and only if Applicant, prior to December 31, 2018, undertakes substantial construction of the building expansion described in the Application as "Phase Two". 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 made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**Omega Liner Company, Inc.**

Motion to approve the South Dakota Jobs grant application of Omega Liner Company, Inc. as recommended by staff in the board packet.

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 \$90,000, but not to exceed 100% of the State Sales and Use Tax paid on eligible equipment costs, is approved for Omega Liner Company, 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 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, MARCH 14, 2017, 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 February 14, 2017, March 1, 2017 and March 6, 2017, as presented.
- Conflicts of Interest Disclosures**
- Monthly Financials**  
RECOMMENDED ACTION: No action taken.
- 9:40 A.M. Commissioner's Comments
- 9:50 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.
- 10:30 A.M. **Report from Executive Session**  
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.
- Other Motions  
Grant Reviews  
IEDC Basic Training  
Arlington Community Development Corporation  
Rosebud Economic Development Corporation  
Sioux Falls Development Foundation  
Applied Engineering, Inc.  
Omega Liner Company Inc.  
Economic Development Partnership Program  
Wagner Area Growth, Inc.  
Sioux Falls Development Foundation  
Faulkton Economic Development Corporation (RLF)  
Herreid Economic Development Corporation (RLF)  
Local Infrastructure Improvement Program  
Brown County  
Greater Huron Development Corporation  
Grovena Township  
South Dakota Jobs Grant Program  
Applied Engineering, Inc.  
Omega Liner Company Inc.

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, FEBRUARY 14, 2017, 9:30 A.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Tony Klein, Sharon Casey, John Calvin, Mike Luken, Greg Heineman, Ted Hustead, Don Kettering, Pat Prostrollo, Tom Jones, Norbert Sebade, Reed Kessler, Spencer Hawley and Billie Sutton

Staff Present

Commissioner Scott Stern, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Ashley Moore, Katelyn Hump, Natalie Likness, Cassidy Kulesa and Dale Knapp

Other Staff Present

Sam Helma - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 9:31 a.m.

Agenda

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

Motion passed by a roll call vote.

Minutes

A motion was made by Sharon Casey and seconded by John Calvin to approve the minutes of the meetings held January 10, 2017 and February 6, 2017, 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 board members and no objection to proceeding with the agenda.

Executive Session

A motion was made by John Calvin and seconded by Don Kettering to enter into executive session at 9:50 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 Chairman declared the board out of executive session at 10:25 a.m. The Chairman 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 Sharon Casey and seconded by Greg Heineman to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Old Business

Red's All Natural, LLC

A motion was made by Pat Prostrullo and seconded by Don Kettering to approve an increasing the loan amount to \$2,133,276, not to exceed 45% of project costs.

Motion passed by a roll call vote.

Red's All Natural, LLC - RPP

A motion was made by Ted Hustead and seconded by Dale Clement to approve increasing the award amount to \$192,436, not to exceed 100% of the State Sales/Use tax paid on eligible project costs.

Motion passed by a roll call vote.

Sioux Falls Development Foundation

A motion was made by Mike Luken and seconded by Sharon Casey to approve the collateral release as presented.

Motion passed by a roll call vote.

Reinvestment Payment Program

Dakota Provisions

A motion was made by Ted Hustead and seconded by Don Kettering to deny the Reinvestment Payment application of Dakota Provisions as recommended by staff in the board packet.

Motion passed by a roll call vote.

Ottertail Power Company

A motion was made by John Calvin and seconded by Pat Prostrullo to approve the Reinvestment Payment application of Ottertail Power Company as recommended by staff in the board packet.

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 \$4,720,500 but not to exceed 100 percent of State Sales/Use Tax paid on eligible project costs, is approved for Otter Tail Power Company. 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 Tony Klein and seconded by Dale Clement to adjourn the meeting at 10:35 a.m.

Motion passed by a roll call vote.

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Dale Clement, Secretary or  
Tony Klein, Treasurer

**GRANT COMMITTEE  
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD  
WEDNESDAY, MARCH 1, 2017, 9:30 A.M. CT**

Members Present

Chairman Pat Prostrollo, Sharon Casey, Mike Luken, Greg Heineman and Ted Husted

Staff Present

Commissioner Scott Stern, Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Katelyn Hump and Joe Fiala

Call to Order

Chairman Prostrollo called the meeting to order at 9:32 a.m.

Agenda

A motion was made by Mike Luken and seconded by Sharon Casey to approve the agenda as presented.

Motion passed by a roll call vote.

Conflicts Disclosure – Chairman Prostrollo opened the floor for committee members to identify potential conflicts under SDCL Chapter 3-23. Sharon Casey declared a potential conflict on City of Chamberlain as she serves on the Lake Francis Development Corporation Board and announced she would abstain from the matter. The Chairman opened up the floor for questions and discussion concerning the potential conflicts; there were none from committee members and no objection to proceeding with the agenda.

Executive Session

A motion was made by Sharon Casey and seconded by Ted Husted to enter into executive session at 9:40 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 Chairman declared the Grant Committee out of executive session at 10:18 a.m. The Chairman reported that the Board of Economic Development Grant Committee entered into Executive Session to discuss commercial and financial information relating to loan and other assistance to applicants. No action taken.

A motion was made by Sharon Casey and seconded by Mike Luken to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Grant Reviews

Economic Development Partnership Program (Heart of the Hills Development Corporation, Yankton Area Progressive Growth, Centerville Development Corporation, Brookings Economic Development Corporation and West River Foundation (RLF)), Local Infrastructure Improvement Program (Greater Rapid City Area Economic Development Corporation and Arlington Community Development Corporation) and Reinvestment Payment Program (GCC Dacotah, Inc.)

Grant Committee recommends to the Board approving the grant reviews as presented.

A motion was made by Ted Husted and seconded by Mike Luken.

Motion passed by a roll call vote.

Economic Development Partnership Program – City of Chamberlain (RLF)

Grant Committee recommends to the Board approving the grant review as presented.

A motion was made by Mike Luken and seconded by Ted Husted.

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

Old Business

Arlington Community Development Corporation

Grant Committee recommends to the Board amending the grant amount to \$375,000 as recommended by staff.

A motion was made by Sharon Casey and seconded by Mike Luken.

Motion passed by a roll call vote

Rosebud Economic Development Corporation

Grant Committee recommends to the Board approving an extension of the grant agreement to October 11, 2017.

A motion was made by Sharon Casey and seconded by Mike Luken.

Motion passed by a roll call vote

New Business

Economic Development Partnership Program

Wagner Area Growth, Inc.

Grant Committee recommends to the Board approving an Economic Development Partnership grant award to Wagner Area Growth, Inc. in the amount of \$1,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Training only as recommended by staff.

A motion was made by Ted Husted and seconded by Mike Luken.

Motion passed by a roll call vote.

Faulkton Economic Development Corporation (RLF) and Herreid Economic Development Corporation (RLF)

Grant Committee recommends to the Board approving as recommended by staff.

Faulkton Economic Development Corporation (RLF)

- Approve an Economic Development Partnership grant award to the Faulkton Economic Development Corporation (RLF) in the amount of \$50,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Herreid Economic Development Corporation (RLF)

- Approve an Economic Development Partnership grant award to the Herreid Economic Development Corporation (RLF) in the amount of \$70,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

A motion was made by Mike Luken and seconded by Ted Husted.

Motion passed by a roll call vote.

Sioux Falls Development Foundation

Grant Committee recommends to the Board denying as recommended by staff.

A motion was made by Sharon Casey and seconded by Ted Husted.

Motion passed by a roll call vote.

Local Infrastructure Improvement Program  
Brown County, Greater Huron Development Corporation and Grovena Township  
Grant Committee recommended to the Board approving as recommended by staff.

Brown County

- Approve a Local Infrastructure Improvement grant award to Brown County in the amount of \$308,500, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Greater Huron Development Corporation

- Approve a Local Infrastructure Improvement grant award to Greater Huron Development Corporation in the amount of \$600,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Grovena Township

- Approve a Local Infrastructure Improvement grant award to Grovena Township in the amount of \$250,000, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

A motion was made by Ted Hustead and seconded by Mike Luken.

Motion passed by a roll call vote.

Adjourn

A motion was made by Mike Luken and seconded by Sharon Casey to adjourn the meeting at 10:25 a.m.

Motion passed by a roll call vote.

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Dale Clement, Secretary or  
Tony Klein, Treasurer

**CREDIT COMMITTEE  
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD  
MONDAY, MARCH 6, 2017, 1:00 P.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Norbert Sebade and Reed Kessler

Staff Present

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

Other Staff Present

Sam Helma - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 1:03 p.m.

Agenda

A motion was made by Dale Clement and seconded by Reed Kessler 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 Norbert Sebade and seconded by Dale Clement 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 1:45 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 Norbert Sebade and seconded by Reed Kessler to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Old Business

Sioux Falls Development Foundation

Credit Committee recommends to the Board approving the loan package amendment as presented by staff and amended.

Motion was made by Dale Clement and seconded by Norbert Sebade.

Motion passed by a roll call vote.

New Business

Applied Engineering, Inc.

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

Motion was made by Reed Kessler and seconded by Norbert Sebade.

Motion passed by a roll call vote.

Omega Liner Company, Inc.

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

Motion was made by Dale Clement and seconded by Reed Kessler.

Motion passed by a roll call vote.

Adjourn

A motion was made by Dale Clement and seconded by Norbert Sebade to adjourn the meeting at 1:48 p.m.

Motion passed by a roll call vote

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Dale Clement, Secretary or  
Tony Klein, Treasurer





**SOUTH DAKOTA REVOLVING  
ECONOMIC DEVELOPMENT AND INITIATIVE FUND  
FINANCIAL REPORT  
(Compiled)  
January 31, 2017**

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# Clausen & Rice, LLP

Certified Public Accountants and Business Consultants

John E. Clausen, CPA  
johnclausen.cpa@midconetwork.com

Daniel T. Rice, CPA  
danrice.cpa@midconetwork.com

## Accountant's Compilation Report

To the Board of Directors  
South Dakota 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 January 31, 2017, and the related statements of revenues, expenses and changes in net assets and cash flows for the seven 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  
February 27, 2017

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

January 31, 2017

See Accountant's Compilation Report

**ASSETS**

Cash and Investments-Unrestricted	\$67,692,989
Cash and Investments-Designated for Approved REDI Loans	7,080,574
Cash-SD Jobs	<u>1,964,443</u>
Total Cash and Investments	\$76,738,006
Accounts Receivable-Bankwest	67,934
Loans Receivable - REDI, net of allowance of \$972,958	36,578,499
Loan Interest Receivable	34,129
Net Pension Asset	78,246
Equipment	0
Due From Other Funds	0
Investment Income Receivable	<u>1,049,786</u>

**TOTAL ASSETS** \$114,546,600

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Outflows of Resources Related to Pensions	<u>143,558</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>143,558</u>

**LIABILITIES**

Accounts Payable	\$11,802
Wages and Benefits Payable	\$28,033
Accrued Leave Payable	\$22,224
Due To Other Funds	<u>\$7,926</u>

**TOTAL LIABILITIES** \$69,985

**DEFERRED INFLOWS OF RESOURCES**

Deferred Inflows of Resources Related to Pensions	<u>143,558</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>143,558</u>

**NET POSITION**

Investment in Capital Assets	0
Unrestricted	<u>114,476,615</u>

**TOTAL NET POSITION** \$114,476,615

**TOTAL LIABILITIES AND NET POSITION** \$114,690,158

**SOUTH DAKOTA REVOLVING  
ECONOMIC DEVELOPMENT AND INITIATIVE FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

**For the Month Ending January 31, 2017**

**See Accountant's Compilation Report**

	<u>Current Period</u>	<u>Year to Date</u>
<b>OPERATING REVENUE</b>		
Interest Income on Loans - REDI	\$64,585	\$415,618
Ethanol Income - REDI	0	0
Other Income - REDI	0	8,740
Building South Dakota Income	0	68,174
<b>LESS OPERATING EXPENSES</b>		
Administrative Expenses	75,948	424,042
Bad Debt Expense	70,279	97,018
Other Expenses	1,950	9,438
Building South Dakota Grants	0	0
<b>NET INCOME (LOSS) FROM OPERATIONS</b>	<b>(\$83,592)</b>	<b>(\$37,966)</b>
<b>NONOPERATING REVENUE</b>		
Investment Income	155,289	1,049,786
<b>CHANGE IN NET POSITION</b>	<b>\$71,697</b>	<b>\$1,011,820</b>
<b>NET POSITION, BEGINNING</b>	<b>114,404,918</b>	<b>113,463,295</b>
Prior period Adjustment	0	1,500
<b>NET POSITION, ENDING</b>	<b><u>\$114,476,615</u></b>	<b><u>\$114,476,615</u></b>

**SOUTH DAKOTA REVOLVING  
ECONOMIC DEVELOPMENT AND INITIATIVE FUND  
STATEMENT OF CASH FLOWS**

**For the Month Ending January 31, 2017**

**See Accountant's Compilation Report**

	Current Period	Year to Date
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Position	\$71,697	\$1,011,820
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	254,850	3,078,575
(Increase) Decrease in Loan		
Interest Receivable	63,483	(3,691)
(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	(155,289)	(45,367)
(Increase) Decrease in Due From Other Funds	0	500,000
(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
	\$234,741	\$4,541,337
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Prior Period Adjustment	0	1,500
	\$234,741	\$4,542,837
<b>NET INCREASE IN CASH AND INVESTMENTS</b>		
<b>CASH AND INVESTMENTS - BEGINNING</b>	76,503,265	72,195,169
<b>CASH AND INVESTMENTS - ENDING</b>	\$76,738,006	\$76,738,006

**SOUTH DAKOTA REVOLVING  
ECONOMIC DEVELOPMENT AND INITIATIVE FUND  
ADDITIONAL LOAN INFORMATION - REDI  
For the Month Ending January 31, 2017  
See Accountant's Compilation Report**

**REDI LOANS APPROVED, NOT ADVANCED**

<u>Company Name</u>	<u>Approval Date</u>	<u>Loan Amount</u>
PEDCO/South Dakota Pulse Processors	12/9/2014	\$ 360,000
Vermillion Area Chamber of Commerce & Devp. Co.	2/10/2016	\$ 2,764,428
Harbor Group Investments, LLC	5/10/2016	\$ 1,613,000
Weisser Properties, LLC	11/22/2016	\$ 180,000
Red's All Natural, LLC	1/10/2017	\$ 1,490,197
Intrinsic Materials Corp.	1/10/2017	\$ 672,949
Total		<u>\$ 7,080,574</u>

**See Accountant's Compilation Report**

<b>REDI LOANS ADVANCED, DURING</b>	<b>January</b>		
<u>Company Name</u>		<u>Advanced Date</u>	<u>Loan Amount</u>

None

<b>REDI LOANS PAID OFF, DURING</b>	<b>January</b>		
<u>Company Name</u>		<u>Pay-off Date</u>	<u>Original Loan Amount</u>

None

<b>REDI LOANS WROTE OFF, DURING</b>	<b>January</b>		
<u>Company Name</u>		<u>Wrote-off Date</u>	<u>Amount Wrote-off</u>

None

<b>REDI LOANS WITHDRAWN, DURING</b>	<b>January</b>		
<u>Company Name</u>		<u>Withdrawal Date</u>	<u>Withdrawn Amount</u>

SpecSys, Inc./CMW Industrial Properties, LLC		1/31/2017	\$350,000
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**SOUTH DAKOTA REVOLVING  
ECONOMIC DEVELOPMENT AND INITIATIVE FUND  
ADDITIONAL LOAN INFORMATION - SDJP  
For the Month Ending January 31, 2017  
See Accountant's Compilation Report**

**SOUTH DAKOTA JOBS PROGRAM CASH & INVESTMENTS BALANCE**

Dedicated SDJP Fund Cash and Investments Balance	12/31/2016	\$1,964,443
Plus: Investment Council Interest		0
South Dakota Jobs		0
		0
Less:		0
		0
		0
Dedicated SDJP Fund Cash and Investments Balance	1/31/2017	<u>\$1,964,443</u>

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

RESTRICTED

<u>Company Name</u>	<u>Approval Date</u>	<u>Amount Remaining</u>	
Sapa Extrusions, Inc.	9/9/2014	24,280	\$24,280 Authorized \$0 Disbursed
		<u>\$24,280</u>	

UNRESTRICTED

Total South Dakota Jobs Program Cash and Investments	\$1,964,443
Less Cash and Investments-Restricted for Approved Loans/Grants	\$24,280
Total Unrestricted South Dakota Jobs Program Cash and Investments	<u>\$1,940,163</u>