BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, MARCH 8, 2016, 9:30 AM CT

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BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, MARCH 8, 2016, 9:30 A.M. CT

Board Members:

Jeff Erickson

Dale Clement

Tony Klein

Sharon Casey

John Calvin

Michael Luken

Greg Heineman

Tim Kessler

Ted Hustead

Don Kettering

Pat Prostrollo

Tom Jones

Norbert Sebade

Non-Voting

Bruce Rampelberg

Scott Parsley

Brian Gosch

Spencer Hawley

Please note times:

Call To Order:_____

Executive Session_____

Regular Session_____

Adjournment_____

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 10, 2016, February 17, 2016 and February 29, 2016, as presented.

Motion made by_____ and seconded by _____.

Local Infrastructure Improvement Program Award Policy for Tribal Governmental Organizations
Motion to approve the Policy as presented.

Motion made by_____ and seconded by _____.

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

Motion made by_____ and seconded by _____.

Chairman: Declare board out of executive session. [a.m.]. Chairman: The BED entered into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants. No action taken.
Motion to approve the chairman's report from executive session.

Motion made by_____ and seconded by _____.

Loan Review
Sioux Falls Development Foundation
Motion to approve the post-closing loan review as presented.

Motion made by _____ and seconded by _____.

Old Business
City of Yankton
Motion to approve the amendment of the grant award as presented.

Motion made by _____ and seconded by _____.

Valley Springs
Motion to approve extending the grant agreement to December 31, 2016.

Motion made by _____ and seconded by _____.

New Business
Streff Properties, LLC
Motion to approve the loan request from Streff Properties, LLC in the amount of $234,000. Secured by a pro-rata shared first position on the real estate, an assignment of lease for the property, the corporate guarantee of Secure Banking Solutions, LLC and an unlimited, unsecured personal guarantee of Kevin Streff.

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 _____.

Reinvestment Payment Program
GCC Dacotah, Inc.
Motion to approve the Reinvestment Payment application of GCC Dacotah, Inc. 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 $1,424,186.74, but not to exceed 60 percent of State Sales/Use Tax paid on eligible project costs, is approved for GCC Dacotah, Inc. 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 made by _____ and seconded by _____.

Economic Development Partnership Program IEDC Basic Training

Centerville Development Corporation
Motion to approve the Economic Development Partnership Program IEDC Basic Training Grant, for the following borrower as recommended by staff and Grant Committee:

Centerville Development Corporation

- Approve an Economic Development Partnership grant award to the Centerville Development Corporation the amount of $830.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for IEDC Basic Training.

Motion made by _____ and seconded by _____.

Economic Development Partnership Program

Brookings Economic Development Corporation, West River Foundation for Economic and Community Development, Centerville Economic Development
Motion to approve the Economic Development Partnership Program grants for the following borrowers as recommended by staff and Grant Committee:

Brookings Economic Development Corporation

- Approve an Economic Development Partnership grant award to the Brookings Economic Development in the amount of $133,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

West River Foundation for Economic and Community Development

- Approve an Economic Development Partnership grant award to the West River Foundation for Economic and Community Development in the amount of $250,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Funds.

Centerville Economic Development Corporation

- Approve an Economic Development Partnership grant award to the Centerville Economic Development Corporation in the amount of $13,006.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

Motion made by _____ and seconded by _____.

Local Infrastructure Improvement Program

Greater Rapid City Area Economic Development Corporation, Arlington Community Development Corporation, Rosebud Economic Development Corporation
Motion to approve the Local Infrastructure Improvement Program grants for the following borrowers as recommended by staff and Grant Committee:

Greater Rapid City Area Economic Development Corporation

- Approve a Local Infrastructure Improvement grant award to the Greater Rapid City Area Economic Development Corporation in the amount of $500,000.00, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Arlington Community Development Corporation

- Approve a Local Infrastructure Improvement grant award to Arlington Community Development Corporation in the amount of $500,000.00, to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Rosebud Economic Development Corporation

- Approve a Local Infrastructure Improvement grant award to Rosebud Economic Development Corporation in the amount of $230,573.00 to be granted in accordance with the board's Local Infrastructure Improvement Award Policy for Tribal Governmental Organizations.

Motion made by _____ and seconded by _____.

Bills
Motion to approve the bill payable to PIDC in the amount of $8,325.00.

Motion made by _____ and seconded by _____.

Adjourn
Motion made by_____ and seconded by _____.

A

BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, SD
TUESDAY, MARCH 8, 2016, 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 10, 2016, February 16, 2016 and February 29, 2016, as presented.

Monthly Financials
RECOMMENDED ACTION: No action taken.

Local Infrastructure Improvement Program Award Policy for Tribal Governmental Organizations
RECOMMENDED ACTION: Motion to approve the Policy as presented.

9:45 A.M. Commissioner's Comments

11:00 A.M. **Executive Session**
RECOMMENDED ACTION: Motion to enter into executive session to discuss contract matters and commercial and financial information relating to loan and other assistance applicants.

11:30 A.M. **Report from Executive Session**
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.

Other Motions
- Sioux Falls Development Foundation
- City of Yankton
- Valley Springs
- Streff Properties, LLC
- Reinvestment Payment Program
  - GCC Dacotah, Inc.
- Economic Development Partnership Program IEDC Basic Training
  - City of Wall
  - Centerville Development Corporation
- Economic Development Partnership Program
  - Brookings Economic Development Corporation
  - West River Foundation for Economic and Community Development
  - Centerville Development Corporation
- Local Infrastructure Improvement Program
  - Greater Rapid City Area Economic Development Corporation
  - Arlington Community Development Corporation
  - Rosebud Economic Development Corporation (REDCO)

Bills
- PIDC - $8,325.00

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 Business & Technology Center at 2329 N. Career Avenue, Sioux Falls, South Dakota.

B

CREDIT COMMITTEE
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
MONDAY, FEBRUARY 29, 2016, 1:00 P.M. CT

Members Present
Secretary Dale Clement, Pat Prostrollo and Norbert Sebade

Staff Present
Deputy Commissioner Aaron Scheibe, Cassie Stoeser and LaJena Gruis

Other Staff Present
Sam Helma - BankWest, Inc.

Call to Order
Secretary Clement called the meeting to order at 1:09 p.m.

Agenda
A motion was made by Pat Prostrollo and seconded by Norbert Sebade to approve the agenda as presented.
Motion passed by a roll call vote.

Executive Session
A motion was made by Norbert Sebade and seconded by Pat Prostrollo to enter into executive session at 1:11 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 Secretary declared the Credit Committee out of executive session at 1:18 p.m. The Secretary 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 Pat Prostrollo and seconded by Norbert Sebade to approve the chairman's report from executive session.
Motion passed by a roll call vote.

Loan review
Credit Committee recommends to the Board approving the post-closing loan review and recommendation as presented.
Motion was made by Pat Prostrollo and seconded by Norbert Sebade.
Motion passed by a roll call vote.

New Business
Streff Properties, LLC
Committee recommends to the Board approving the application as presented and discussed.
A motion was made by Norbert Sebade and seconded by Pat Prostrollo.
Motion passed by a roll call vote.

Adjourn
A motion was made by Pat Prostrollo and seconded by Norbert Sebade to adjourn the meeting at 1:20 p.m.
Motion passed by a roll call vote

_____
Dale Clement, Secretary or
Tony Klein, Treasurer

GRANT COMMITTEE
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, FEBRUARY 17, 2016, 11:00 AM

Members Present
Chairman Tim Kessler, Sharon Casey, Mike Luken, Greg Heineman and Ted Hustead

Staff Present
Deputy Commissioner Aaron Scheibe, Cassie Stoeser, Katelyn Hump, Dave Anderson,

Call to Order
Chairman Kessler called the meeting to order at 11:02 a.m.

Agenda
A motion was made by Greg Heineman and seconded by Sharon Casey to approve the agenda as presented.
Motion passed by a roll call vote.

Executive Session
A motion was made by Mike Luken and seconded by Ted Hustead to enter into executive session at 11:03 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 11:54 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 Mike Luken and seconded by Sharon Casey to approve the chairman's report from executive session.
Motion passed by a roll call vote.

New Business
Economic Development Partnership Program IEDC Basic Training

Centerville Development Corporation
Grant Committee recommends to the Board approving an Economic Development Partnership grant award to the Centerville Development Corporation the amount of $830.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for IEDC Basic Training as recommended by staff.

A motion was made by Ted Hustead and seconded by Mike Luken.
Motion passed by a roll call vote

Economic Development Partnership Program-Brookings Economic Development Corporation, West River Foundation for Economic and Community Development, Centerville Economic Development

Brookings Economic Development Corporation

Grant Committee recommends to the Board approving an Economic Development Partnership grant award to the Brookings Economic Development Corporation in the amount of $133,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding as recommend by staff.

West River Foundation for Economic and Community Development

Grant Committee recommends to the Board approving an Economic Development Partnership grant award to the West River Foundation for Economic and Community Development in the amount of $250,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding as recommend by staff.

Centerville Economic Development

Grant Committee recommends to the Board approving an Economic Development Partnership grant award to the Centerville Economic Development in the amount of $13,006.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding as recommend by staff.

A motion was made by Sharon Casey and seconded by Greg Heineman.
Motion passed by a roll call vote

Local Infrastructure Improvement Program Grant Applications
Greater Rapid City Economic Development Corporation, Arlington Community Development Corporation, Rosebud Economic Development Corporation

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

Great Rapid City Economic Development Corporation

Approve a Local Infrastructure Improvement grant award to the Great Rapid City Economic Development Corporation in the amount of $500,000.00 to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Arlington Community Development Corporation

Approve a Local Infrastructure Improvement grant award to Arlington Community Development Corporation in the amount of $500,000.00 to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

Rosebud Economic Development Corporation

Approve a Local Infrastructure Improvement grant award to Rosebud Economic Development Corporation in the amount of $230,573.00 to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

A motion was made by Sharon Casey and seconded by Greg Heineman.
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 12:01 p.m.
Motion passed by a roll call vote.

_____
Dale Clement, Secretary or
Tony Klein, Treasurer

BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
WEDNESDAY, FEBRUARY 10, 2016

Members Present
In Person: Chairman Jeff Erickson, Tony Klein, Mike Luken, Ted Hustead, Don Kettering, Pat Prostrollo, Tom Jones, Norbert Sebade
Via telephone: Dale Clement, Sharon Casey, John Calvin

Staff Present
Commissioner Pat Costello, Deputy Commissioner Aaron Scheibe, Cassie Stoeser, LaJena Gruis, Kaitlyn Hump, Dale Knapp, Steve Watson

Other Staff Present
Sam Helma - BankWest, Inc., Mike Beitz – BankWest, Inc.

Call to Order
Chairman Erickson called the meeting to order at 2:30 p.m.

Agenda
A motion was made by Mike Luken and seconded by Tony Klein to approve the agenda as presented.
Motion passed by a unanimous voice vote.

Minutes
A motion was made by Ted Hustead and seconded by Sharon Casey to approve the minutes of the meetings held January 12, 2016 and February 2, 2016, as presented.
Motion passed by a unanimous voice vote.

Executive Session
A motion was made by Don Kettering and seconded by Pat Prostrollo to enter into executive session at 2:45 p.m. to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.
Motion passed by a unanimous voice vote.

Executive Session Report
The Chairman declared the board out of executive session at 3:35 p.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 taken.

A motion was made by Ted Hustead and seconded by Mike Lukens to approve the chairman's report from executive session.
Motion passed by a unanimous voice vote.

Loan Review
Watertown Development Company/Nutting
A motion was made by Ted Hustead and seconded by Pat Prostrollo to approve the loan review and recommendation as presented.
Motion passed by a unanimous voice vote.

Old Business

CMW Industrial Properties, LLC/SpecSys, Inc.

A motion was made by Don Kettering and seconded by Norbert Sebade to approve a commitment extension to June 30, 2016.
Motion passed by a unanimous voice vote.

RTI, LLC/RTI Holdings, LLC

A motion was made by Mike Luken and seconded by Dale Clement to approve an increased loan amount as presented.
Motion passed by a unanimous voice vote.

Ringneck Energy & Feed, LLC

A motion was made by Sharon Casey and seconded by Pat Prostrollo to approve a 90 day grant agreement extension.
Motion passed by a unanimous voice vote.

New Business

Vermillion Area Chamber of Commerce & Development Company

A motion was made by Dale Clement and seconded by Mike Luken to approve the waiver for a loan over $1,000,000 and waiver of equity of less than 10%.
Motion passed by a roll call vote with Don Kettering and Tom Jones abstaining.

A motion was made by Ted Hustead to and seconded by Pat Prostrollo to approve the loan request from Vermillion Area Chamber of Commerce & Development Company in the amount of $2,764,428. Secured by a sole first position on the real estate and an assignment of leases for the property.

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 passed by a roll call vote with Don Kettering and Tom Jones abstaining.

Adjourn

A motion was made by Tony Klein and seconded by Dale Clement to adjourn the meeting at 4:30 p.m.
Motion passed by a roll call vote.

_____

Dale Clement, Secretary or
Tony Klein, Treasurer

C

SOUTH DAKOTA REVOLVING

ECONOMIC DEVELOPMENT AND INITIATIVE FUND

FINANCIAL REPORT

(Compiled)

January 31, 2016

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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

We have compiled 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, 2016 and for the seven months then ended, which collectively comprise the Entity's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the 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 additional loan information on pages 5 through 7 is not a required part of the basic financial statements but are supplementary information. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

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

Clausen & Rice, LLP

Pierre, South Dakota
February 23, 2016

430 West Sioux Avenue • P.O. Box 1117 • Pierre, SD 57501-1117 ∞ (605) 224-8866 • Fax: (605) 224-8876 • 1-888-896-2727

SOUTH DAKOTA REVOLVING

ECONOMIC DEVELOPMENT AND INITIATIVE FUND

STATEMENT OF NET ASSETS

January 31, 2016

See Accountant's Compilation Report

ASSETS	
Cash and Investments-Unrestricted	$58,342,886
Cash and Investments-Designated for Approved REDI Loans	11,551,812
Cash-SD Jobs	1,391,172
Total Cash and Investments	$71,285,870
Accounts Receivable-Bankwest	116,360
Loans Receivable - REDI, net of allowance of $630,471	38,700,079
Loan Interest Receivable	26,935
Net Pension Asset	136,978
Equipment	1,750
Due From Other Funds	500,000
Investment Income Receivable	1,417,540
TOTAL ASSETS	$112,185,512
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows of Resources Related to Pensions	121,211
TOTAL DEFERRED OUTFLOWS OF RESOURCES	121,211
LIABILITIES	
Accounts Payable	$14,262
Wages and Benefits Payable	$25,507
Accrued Leave Payable	$12,876
Due To Other Funds	$19,124
TOTAL LIABILITIES	$71,769
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources Related to Pensions	158,643
TOTAL DEFERRED INFLOWS OF RESOURCES	158,643
NET POSITION	
Investment in Capital Assets	1,750
Unrestricted	112,074,561
TOTAL NET POSITION	$112,076,311
TOTAL LIABILITIES AND NET POSITION	$112,306,723

SOUTH DAKOTA REVOLVING

ECONOMIC DEVELOPMENT AND INITIATIVE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Period Ending January 31, 2016

See Accountant's Compilation Report

	Current Period	Year to Date
OPERATING REVENUE		
Interest Income on Loans - REDI	$63,733	$370,606
Ethanol Income - REDI	0	0
Other Income - REDI	0	121,759
Building South Dakota Income	0	52,851
LESS OPERATING EXPENSES		
Administrative Expenses	42,342	376,435
Bad Debt Expense	43,114	(246,753)
Other Expenses	1,233	10,411
Transfer to Ag.	0	0
Building South Dakota Grants	0	0
NET INCOME (LOSS) FROM OPERATIONS	($22,956)	$405,123
NONOPERATING REVENUE		
Investment Income	269,370	1,417,540
CHANGE IN NET POSITION	$246,414	$1,822,663
NET POSITION, BEGINNING	111,829,897	110,253,648
Prior period Adjustment	0	0
NET POSITION, ENDING	$112,076,311	$112,076,311

SOUTH DAKOTA REVOLVING

ECONOMIC DEVELOPMENT AND INITIATIVE FUND

STATEMENT OF CASH FLOWS

For the Period Ending January 31, 2016

See Accountant's Compilation Report

	Current Period	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	$246,414	$1,822,663
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	(1,903,454)	(4,000,557)
(Increase) Decrease in Loan Interest Receivable	(10,962)	9,521
(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	(269,370)	(530,274)
(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
Net Cash provided from (used in) Operating Activities	($1,937,372)	($2,198,647)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Prior Period Adjustment	0	0
NET INCREASE IN CASH AND INVESTMENTS	($1,937,372)	($2,198,647)
CASH AND INVESTMENTS - BEGINNING	73,223,242	73,484,517
CASH AND INVESTMENTS - ENDING	$71,285,870	$71,285,870

SOUTH DAKOTA REVOLVING

ECONOMIC DEVELOPMENT AND INITIATIVE FUND

ADDITIONAL LOAN INFORMATION - REDI

For the Period Ending January 31, 2016

See Accountant's Compilation Report

REDI LOANS APPROVED, NOT ADVANCED

Company Name	Approval Date	Loan Amount
CMW Industrial Properties, LLC	11/12/2014	350,000
RTI, LLC/NEVCO, LLC	11/12/2014	250,000
PEDCO/South Dakota Pulse Processors	12/9/2014	360,000
RTI, LLC/RTI Holdings, LLC	1/12/2015	825,000
Kerry K Engle Separate Property Trust	3/9/2015	607,500
Shoemaker Properties, LLC	7/16/2015	343,312
Wentz Commercial Properties, LLC	7/16/2015	397,000
Bellmark Properties, Inc.	8/11/2015	778,000
Gage Brothers Concrete Products, Inc.	8/11/2015	2,500,000
Showplace Wood Products	9/15/2015	4,185,000
R&R Holdings, LLC	10/13/2015	606,000
Aberdeen Development Corporation/Magnum Trucking	1/12/2016	350,000
Total		$ 11,551,812

See Accountant's Compilation Report

REDI LOANS ADVANCED, DURING Jan

Company Name	Advanced Date	Loan Amount
Sioux Falls Development Foundation - Final Advance	1/7/2016	$2,267,800

REDI LOANS PAID OFF, DURING Jan

Company Name	Pay-off Date	Original Loan Amount
None		

REDI LOANS WROTE OFF, DURING Jan

Company Name	Wrote-off Date	Amount Wrote-off
None		

REDI LOANS WITHDRAWN, DURING Jan

Company Name	Withdrawal Date	Withdrawn Amount
None		

SOUTH DAKOTA REVOLVING

ECONOMIC DEVELOPMENT AND INITIATIVE FUND

ADDITIONAL LOAN INFORMATION - SDJP

For the Period Ending January 31, 2016

See Accountant's Compilation Report

SOUTH DAKOTA JOBS PROGRAM CASH & INVESTMENTS BALANCE

Dedicated SDJP Fund Cash and Investments Balance	12/31/2015	$1,391,172
Plus: Investment Council Interest		0
South Dakota Jobs		0
		0
Less:		
		0
		0
		0
Dedicated SDJP Fund Cash and Investments Balance	1/31/2016	$1,391,172

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

RESTRICTED

Company Name	Approval Date	Amount Remaining		
Specialized Machine, LLC.	4/8/2014	0	$4,000	Authorized
			$4,000	Disbursed
Sapa Extrusions, Inc.	9/9/2014	24,280	$24,280	Authorized
			$0	Disbursed
TruXedo, Inc.	4/14/2015	12,200	$12,200	Authorized
			$0	Disbursed
		$36,480		

UNRESTRICTED

Total South Dakota Jobs Program Cash and Investments	$1,391,172
Less Cash and Investments-Restricted for Approved Loans/Grants	$36,480
Total Unrestricted South Dakota Jobs Program Cash and Investments	$1,354,692

SOUTH DAKOTA LOCAL

INFRASTRUCTURE IMPROVEMENT PROGRAM

FINANCIAL REPORT

(Compiled)

January 31, 2016

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

We have compiled the accompanying financial statements of South Dakota Local Infrastructure Improvement Program as of January 31, 2016 and for the seven months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the 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 additional loan information on pages 5 and 6 are not a required part of the basic financial statements but is supplementary information. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

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

Clausen & Rice, LLP

Pierre, South Dakota
February 23, 2016

430 West Sioux Avenue • P.O. Box 1117 • Pierre, SD 57501-1117 ∞ (605) 224-8866 • Fax: (605) 224-8876 • 1-888-896-2727

SOUTH DAKOTA LOCAL

INFRASTRUCTURE IMPROVEMENT PROGRAM

STATEMENT OF NET ASSETS

January 31, 2016

See Accountant's Compilation Report

ASSETS	
Cash and Investments-Unrestricted	$3,529,173
Cash and Investments-Designated for Approved Grants	1,972,467
Total Cash and Investments	$5,501,640.14
Investment Income Receivable	0
TOTAL ASSETS	$5,501,640
LIABILITIES	
	$0
TOTAL LIABILITIES	$0
NET POSITION	
Unrestricted	5,501,640
TOTAL NET POSITION	$5,501,640
TOTAL LIABILITIES AND NET POSITION	$5,501,640

SOUTH DAKOTA LOCAL

INFRASTRUCTURE IMPROVEMENT PROGRAM

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Period Ending January 31, 2016

See Accountant's Compilation Report

	Current Period	Year to Date
OPERATING REVENUE		
Investment Income	0	43,018
Transfer In - Building South Dakota	0	2,764,255
LESS OPERATING EXPENSES		
Administrative Expenses	0	0
Other Expenses	0	0
Grants and Subsidies	122,772	1,092,104
NET INCOME (LOSS) FROM OPERATIONS	($122,772)	$1,715,169
NONOPERATING REVENUE		
Reclamation of Grants	0	0
CHANGE IN NET POSITION	($122,772)	$1,715,169
NET POSITION, BEGINNING	5,624,412	3,786,471
Prior period Adjustment	0	0
NET POSITION, ENDING	$5,501,640	$5,501,640

SOUTH DAKOTA LOCAL

INFRASTRUCTURE IMPROVEMENT PROGRAM

STATEMENT OF CASH FLOWS

For the Period Ending January 31, 2016

See Accountant's Compilation Report

	Current Period	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	($122,772)	$1,715,169
Adjustments to Reconcile Net Income to Net Cash provided from (used in) Operating Activities:		
(Increase) Decrease in Investment Income Receivable	0	0
Net Cash provided from (used in) Operating Activities	($122,772)	$1,715,169
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Prior Period Adjustment	0	0
NET INCREASE IN CASH AND INVESTMENTS	($122,772)	$1,715,169
CASH AND INVESTMENTS - BEGINNING	5,624,412	3,786,471
CASH AND INVESTMENTS - ENDING	$5,501,640	$5,501,640

SOUTH DAKOTA LOCAL

INFRASTRUCTURE IMPROVEMENT PROGRAM

LOAN INFORMATION

For the Period Ending January 31, 2016

See Accountant's Compilation Report

CASH & INVESTMENTS BALANCE

Fund Cash and Investments Balance	12/31/2015	$5,624,412
Plus: Investment Council Interest		0
Building South Dakota		0
		0
Less:		
Brookings County		(79,697)
City of Parkston		(22,161)
City of Castlewood		(20,914)
Cash and Investments Balance	1/31/2016	$5,501,640

CASH & INVESTMENTS BALANCE APPROVED, NOT ADVANCED

RESTRICTED

Company Name	Approval Date	Amount Remaining		
Brooking County	9/11/2013	0	$354,410	Authorized
*Moved $45,590.21 to uncommitted balance on 01/07/16			$354,410	Disbursed
City of Castlewood	12/10/2013	22,708	$76,571	Authorized
*Moved $23,428.91 to uncommitted balance on 12/21/15			$53,863	Disbursed
City of Milbank	12/10/2013	62,767	$200,000	Authorized
			$137,233	Disbursed
City of Parkston	3/11/2014	0	$122,398	Authorized
*Moved $20,601.67 to uncommitted balance on 01/02/16			$122,398	Disbursed
City of Gregory	6/10/2014	47,362	$150,000	Authorized
			$102,638	Disbursed
City of Yankton	9/9/2014	125,000	$500,000	Authorized
			$375,000	Disbursed
City of Valley Springs	12/9/2014	75,000	$75,000	Authorized
			$0	Disbursed
Brookings County	6/2/2015	100,000	$100,000	Authorized
			$0	Disbursed

City of Beresford	6/2/2015	225,000	$225,000	Authorized
			$0	Disbursed
City of Doland	6/2/2015	19,629	$43,000	Authorized
			$23,371	Disbursed
Edison Township	6/2/2015	245,000	$245,000	Authorized
			$0	Disbursed
City of Belle Fourche	9/15/2015	350,000	$350,000	Authorized
			$0	Disbursed
Sully County	12/8/2015	400,000	$400,000	Authorized
			$0	Disbursed
City of Dell Rapids	12/8/2015	300,000	$300,000	Authorized
			$0	Disbursed
		$1,972,467		

UNRESTRICTED

Total Cash and Investments	$5,501,640
Less Cash and Investments-Restricted for Approved Grants	$1,972,467
Total Unrestricted Cash and Investments	$3,529,173

SOUTH DAKOTA ECONOMIC

DEVELOPMENT PARTNERSHIP PROGRAM

FINANCIAL REPORT

(Compiled)

January 31, 2016

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

We have compiled the accompanying financial statements of South Dakota Economic Development Partnership Program as of January 31, 2016 and for the seven months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

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

Clausen & Rice, LLP

Pierre, South Dakota
February 23, 2016

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SOUTH DAKOTA ECONOMIC

DEVELOPMENT PARTNERSHIP PROGRAM

STATEMENT OF NET ASSETS

January 31, 2016

See Accountant's Compilation Report

ASSETS	
Cash and Investments-Unrestricted	$536,720
Cash and Investments-Designated for Approved Loans	911,009
Total Cash and Investments	$1,447,729
Investment Income Receivable	0
	0
TOTAL ASSETS	$1,447,729
LIABILITIES	
	$0
TOTAL LIABILITIES	$0
NET POSITION	
Unrestricted	1,447,729
TOTAL NET POSITION	$1,447,729
TOTAL LIABILITIES AND NET POSITION	$1,447,729

SOUTH DAKOTA ECONOMIC

DEVELOPMENT PARTNERSHIP PROGRAM

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Period Ending January 31, 2016

See Accountant's Compilation Report

	Current Period	Year to Date
OPERATING REVENUE		
Investment Income	0	21,161
Transfer In - Building South Dakota	0	1,658,553
LESS OPERATING EXPENSES		
Grants and Subsidies	138,208	1,281,735
NET INCOME (LOSS) FROM OPERATIONS	($138,208)	$397,979
NONOPERATING REVENUE		
Reclamation of Grants	0	0
CHANGE IN NET POSITION	($138,208)	$397,979
NET POSITION, BEGINNING	1,585,937	1,049,750
Prior period Adjustment	0	0
NET POSITION, ENDING	$1,447,729	$1,447,729

SOUTH DAKOTA ECONOMIC

DEVELOPMENT PARTNERSHIP PROGRAM

STATEMENT OF CASH FLOWS

For the Period Ending January 31, 2016

See Accountant's Compilation Report

	Current Period	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	($138,208)	$397,979
Adjustments to Reconcile Net Income to Net Cash provided from (used in) Operating Activities:		
(Increase) Decrease in Investment Income Receivable	0	0
Net Cash provided from (used in) Operating Activities	($138,208)	$397,979
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Prior Period Adjustment	0	0
NET INCREASE IN CASH AND INVESTMENTS	($138,208)	$397,979
CASH AND INVESTMENTS - BEGINNING	1,585,937	1,049,750
CASH AND INVESTMENTS - ENDING	$1,447,729	$1,447,729

SOUTH DAKOTA ECONOMIC

DEVELOPMENT PARTNERSHIP PROGRAM

LOAN INFORMATION - EDPP

For the Period Ending January 31, 2016

See Accountant's Compilation Report

CASH & INVESTMENTS BALANCE

Fund Cash and Investments Balance	12/31/2015	$1,585,937
Plus: Investment Council Interest		0
Contribution		0
Less:		
Arlington Community Dev. Corp. (RLF)		(100,000)
South Dakota Business Tech. Center		(38,208)
Rural Electric Economic Dev. (RLF)		
Dedicated Fund Cash and Investments Balance	1/31/2016	$1,447,729

CASH & INVESTMENTS BALANCE APPROVED, NOT ADVANCED

RESTRICTED

Company Name	Approval Date	Amount Remaining		
Belle Fourche Development Corp. (Move $23,505 to uncommitted 12/09/14)	9/11/2013 *	29,849	$79,495	Authorized
			$49,646	Disbursed
Arlington Community Development Corp. (approved $33,310 increase on 12/09/14)	10/8/2013	38,707	$88,310	Authorized
			$49,603	Disbursed
Southern Hills Economic Development Corp.	9/11/2013	34,140	$56,900	Authorized
			$22,760	Disbursed
De Smet Development Corp. (Move $9,941 to uncommitted 12/09/14)	10/8/2013	9,863	$32,879	Authorized
			$23,016	Disbursed
Faulkton Area Economic Development Corp.	12/10/2013	41,689	$52,220	Authorized
			$10,531	Disbursed
Lake Francis Case Development Corp.	12/10/2013	19,842	$62,275	Authorized
			$42,434	Disbursed
Wounded Knee Development Corp. (approved $55,800 increase on 11/12/14)	12/10/2013	65,880	$109,800	Authorized
			$43,920	Disbursed
Heart of the Hills Economic Dev. Corp.	3/11/2014	3,000	$10,000	Authorized
			$7,000	Disbursed
City of Canton	6/10/2014	0	$2,093	Authorized
			$2,093	Disbursed

Brooking Economic Dev. Corp.	6/10/2014	25,200	$84,000	Authorized
			$58,800	Disbursed
Mitchell Area Dev. Corp.	6/10/2014	83,701	$139,502	Authorized
			$55,801	Disbursed
Aberdeen Development Corporation	12/9/2014	90,325	$150,542	Authorized
			$60,217	Disbursed
City of Kimball	12/9/2014	24,000	$40,000	Authorized
			$16,000	Disbursed
Wagner Area Growth, Inc.	12/9/2014	46,800	$78,000	Authorized
			$31,200	Disbursed
Northeast Council of Governments Devp. Corp.	12/9/2014	87,713	$250,000	Authorized
			$162,287	Disbursed
Worthing Economic Development (IEDC Basic Course)	3/9/2015	84,968	$141,614	Authorized
			$56,645	Disbursed
Aberdeen Development Corp. (Training only)	6/2/2015	0	$715	Authorized
			$699	Disbursed
Arlington Community Dev. Corp. (RLF)	6/2/2015	0	$100,000	Authorized
			$100,000	Disbursed
City of Wall	6/2/2015	125,496	$125,496	Authorized
			$0	Disbursed
Brooking Economic Dev. Corp. (RLF)	6/2/2015	0	$150,000	Authorized
			$150,000	Disbursed
Burke Business Promotion Corp. (RLF)	6/2/2015	0	$100,000	Authorized
			$100,000	Disbursed
South Dakota Business Tech. Center	6/2/2015	57,311	$95,518	Authorized
			$38,207	Disbursed
West River Foundation for Economic and Community Dev. (RLF)	6/2/2015	0	$250,000	Authorized
			$250,000	Disbursed
Aberdeen Development Corporation (RLF)	9/15/2015	0	$100,000	Authorized
			$100,000	Disbursed
Rural Electric Economic Dev. (RLF)	9/15/2015	0	$250,000	Authorized
			$250,000	Disbursed
Sisseton Wahpeton Oyate Tribe (IEDC Basic Course)	12/8/2015	1,000	$1,000	Authorized
			$0	Disbursed
Viborg Economic Development Corporation	12/8/2015	41,526	$41,526	Authorized
			$0	Disbursed
		$911,009		

* Approved on 12/10/13 to include training costs.

UNRESTRICTED

Total Cash and Investments	$1,447,729
Less Cash and Investments-Restricted for Approved Loans/Grants	$911,009
Total Unrestricted Cash and Investments	$536,720

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Local Infrastructure Improvement Program Award Policy for Tribal Governmental Organizations

Applicability

This policy applies to any applicant that may be entitled to assert tribal sovereign immunity or which may be entitled to assert that it is only subject to the jurisdiction of a court other than a court of the South Dakota Unified Judicial System.

Award Requirements

- Submit the following to GOED:
  - Funding commitments from all project sources
  - Notice to Proceed
  - Minutes from the Respective Authority Approving the Project and the Project's Budget
  - Notice of Award to Contractor

Disbursement of Funds

Option 1

- GOED will disburse 75% of the award upon receipt of the items listed above
- The final disbursement of 25% will be advanced upon receipt of:
  - Expenditure reports and contractors affidavits showing the first advance fully expended also showing the match fully expended.
  - Copy (Front & Back) of check issued to the Contractor showing proof the check was cashed or, if applicable, a copy of the bank statement evidencing the transfer of funds electronically.

If option 1 is chosen, the following conditions must be met:

- Waiver of Sovereign Immunity. Indian tribes and tribally-chartered organizations are absolutely immune from suit unless that immunity is abrogated by Congress or is waived. That immunity includes immunity from suit for commercial activities, whether those activities take place on or off the reservation. Accordingly, it must be a condition of any grant to an Indian tribe or tribally chartered or controlled entity that such tribe or tribal entity execute a valid and enforceable waiver of sovereign immunity. This waiver may be limited, but must be sufficiently explicit and broad to allow the BED to bring and maintain a suit to enforce its grant documents.
- Applicable Law. In the interest of predictability and uniformity in terms of enforcement of BED's grant documents, it is a condition of a grant to an Indian tribe or tribally chartered or controlled entity that such tribe or tribal entity agree that South Dakota law applies to the interpretation and enforcement of BED's grant and related documents.
- State Court Jurisdiction. Pursuant to SDCL 3-21-10, the BED does not have the authority to submit the state to the jurisdiction of any court other than the state courts of South Dakota. Because an agreement that a suit *against* an Indian tribe or

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tribal entity must be brought in tribal court carries with it the potential for a counter-claim against the BED in tribal court brought under tribal law, the BED believes it is precluded by the provisions of SDCL 3-21-10 from agreeing that its grant documents may be enforced anywhere other than in the state courts of South Dakota. Accordingly, it is a condition of a grant to an Indian tribe or tribally chartered or controlled entity that any lawsuit relating to the grant and related documents must be brought in the state courts of South Dakota and the grant applicant must consent to the jurisdiction of those courts.

Option 2

- 100% disbursement upon completion of the project and receipt of the following items:
  - All documents listed under "Award Requirements" above.
  - Expenditure reports and contractors affidavits showing expenditure of all funds, including expenditure of any match.
  - Copy (Front & Back) of all checks issued to the Contractor showing proof the check was cashed or, if applicable, a copy of the bank statement evidencing the transfer of funds electronically.
  - All documents listed under "Project Completion Report" below.

Project Completion Report

- Awardee shall submit a report upon completion of the project to include the total project costs and a copy of the certificate of occupancy if applicable

X_____

Date: _____

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Q

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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: 1/1/2016 through 12/31/2016	$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