

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, JUNE 14, 2016, 9:30 A.M. CT**

TABLE OF CONTENTS

- A. Regular Session Agenda
- B. Minutes
- C. Clausen & Rice, LLP Accounting Contract
- D. Vice-Chairman Memo
- E. IEDC Basic Training Approval
- F. Monthly Financials
- G. Executive Session Agenda
- H. Monthly Status Report
- I. Watch List
- J. Loan Review Summary
- K. Economic Development Partnership Program Grant Review
- L. Local Infrastructure Improvement Program Grant Review
- M. Reinvestment Payment Program Grant Review
- N. South Dakota Jobs Program Grant Review
- O. Centerville Development Corporation
- P. Economic Development Partnership Program IEDC Basic Training
 - 1. Viborg Economic Development Corporation
- Q. Economic Development Partnership Program
 - 1. Wagner Area Growth, Inc.
 - 2. Beadle and Spink Enterprise Community, Inc. (RLF)
 - 3. ZEAL Center for Entrepreneurship (RLF)
 - 4. South Eastern Development Foundation (RLF)
 - 5. Sioux Falls Development Foundation, Inc.
- R. Local Infrastructure Improvement Program
 - 1. City of Mount Vernon
 - 2. Faulkton Area Economic Development Corporation

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, JUNE 14, 2016, 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

*Bruce
Rampelberg*

Scott Parsley

Brian Gosch

*Spencer
Hawley*

**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 May 10, 2016, May 31, 2016 and June 6, 2016, as presented.

Motion made by _____ and seconded by _____.

Clausen & Rice, LLP Accounting Contract

Motion to approve the Clausen & Rice, LLP contract for accounting services as presented.

Motion made by _____ and seconded by _____.

Election of Vice-Chairman

Motion to accept the appointment of Pat Prostrollo as Vice-Chairman of the Board of Economic Development and Chair of Grant Committee.

Motion made by _____ and seconded by _____.

IEDC Basic Training Approval

Motion to pre-approve funding to applicants for the IEDC Basic Economic Development Course as recommended by staff and Grant Committee.

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 Summary

Carl V Carlson Company, Marmen Energy Co. and Metalworks, LLC

Motion to approve the loan reviews and recommendations as presented.

Motion made by _____ and seconded by _____.

Please note times:
Call To Order: _____
Executive Session _____
Regular Session _____
Adjournment _____

Grant Reviews

Economic Development Partnership Program

Brookings Economic Development Corporation, Heart of the Hills Development Corporation, Mitchell Area Development Corporation, City of Wall, ZEAL Center for Entrepreneurship and Yankton Area Progressive Growth

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

Motion made by _____ and seconded by _____.

Glacial Lakes Area Development (RLF), GROW South Dakota (RLF) and City of Chamberlain (RLF)

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

Motion made by _____ and seconded by _____.

Local Infrastructure Improvement Program

City of Gregory, City of Beresford and Edison Township

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

Motion made by _____ and seconded by _____.

Reinvestment Payment Program

Campbell County Wind Farm, LLC

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

Motion made by _____ and seconded by _____.

South Dakota Jobs Program

Truxedo, Inc.

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

Motion made by _____ and seconded by _____.

Old Business

Centerville Development Corporation

Motion to approve a 60 day grant agreement extension

Motion made by _____ and seconded by _____.

New Business

Economic Development Partnership Program

Wagner Area Growth, Inc. and ZEAL Center for Entrepreneurship (RLF)

Motion to deny the Economic Development Partnerships Program grants as recommended by staff and Grant Committee.

Motion made by _____ and seconded by _____.

Beadle and Spink Enterprise Community, Inc. (RLF), South Eastern Development Foundation (RLF) and Sioux Falls Development Foundation

Motion to approve the Economic Development Partnership Program grants for the following borrowers as recommended by staff and Grant Committee:

Beadle and Spink Enterprise Community, Inc. (RLF)

- Approve an Economic Development Partnership grant award to the Beadle and Spink Enterprise Community, Inc. (RLF) in the amount of \$250,000.00, to

be granted in accordance with the board's Economic Development Partnership Award Policy for Revolving Loan Fund.

South Eastern Development Foundation

- Approve an Economic Development Partnership grant award to the South Eastern Development Foundation 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.

Sioux Falls Development Foundation, Inc.

- Approve an Economic Development Partnership grant award to the Sioux Falls Development Foundation, Inc. in the amount of \$280,982.00, 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

City of Mount Vernon

Motion to deny the Local Infrastructure Improvement Program grant as recommended by staff and Grant Committee.

Motion made by _____ and seconded by _____.

Faulkton Area Economic Development Corporation

Motion to approve the Local Infrastructure Improvement Program grant for the following borrower as recommended by staff and Grant Committee:

Faulkton Area Economic Development Corporation

- Approve a Local Infrastructure Improvement grant award to the Faulkton Area Economic Development Corporation in the amount of \$384,000 to be granted in accordance with the board's Local Infrastructure Improvement Award Policy.

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, JUNE 14, 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.
- HB1214 Conflict of Interest Briefing**
RECOMMENDED ACTION: No action taken.
- Minutes**
RECOMMENDED ACTION: Motion to approve the minutes of May 10, 2016, May 31, 2016 and June 6, 2016, as presented.
- Clausen & Rice, LLP Accounting Contract**
RECOMMENDED ACTION: Motion to approve the Clausen & Rice, LLP Accounting Contract as presented.
- Election of Vice Chairman**
RECOMMENDED ACTION: Motion to accept the appointment of Pat Prostrollo as Vice-Chairman of the Board of Economic Development and Chair of Grant Committee.
- IEDC Basic Training Approval**
RECOMMENDED ACTION: Grant Committee recommends to the board to pre-approve funding to applicants for the IEDC Basic Economic Development Course.
- Monthly Financials**
RECOMMENDED ACTION: No action taken.
- 9:55 A.M. Commissioner's Comments
- 10:00 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.
- 10:45 A.M. **Report from Executive Session**
RECOMMENDED ACTION: Approve Chairman's report from Executive Session.
- Other Motions
Loan Review Summary
Economic Development Partnership Program Grant Review
Local Infrastructure Improvement Program Grant Review

Reinvestment Payment Program Grant Review
South Dakota Jobs Program Grant Review
Centerville Development Corporation
Economic Development Partnership Program IEDC
Basic Training
 Viborg Economic Development Corporation
Economic Development Partnership Program
 Wagner Area Growth, Inc.
 Beadle and Spink County Enterprise Community, Inc. (RLF)
 ZEAL Center for Entrepreneurship (RLF)
 South Eastern Development Foundation (RLF)
 Sioux Falls Development Foundation, Inc.
Local Infrastructure Improvement Program
 City of Mount Vernon
 Faulkton Area Economic Development Corporation

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.

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, MAY 10, 2016, 9:30 A.M. CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Mike Luken, Greg Heineman, Ted Husted, Don Kettering, Pat Prostrollo, Tom Jones, Norbert Sebade, Reed Kessler, Bruce Rampelberg, Scott Parsley, Brian Gosch and Spencer Hawley

Staff Present

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

Other Staff Present

Sam Helma - BankWest, Inc.

Others Present

Bob Mercer
Denice Houlette - LRC

Call to Order

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

Agenda

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

Motion passed by a roll call vote.

Minutes

A motion was made by Greg Heineman and seconded by Dale Clement to approve the minutes of the meetings held April 12, 2016 and May 2, 2016, as presented.

Motion passed by a roll call vote.

Special Assets Contract

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

Motion passed by a roll call vote.

Executive Session

A motion was made by Don Kettering and seconded by Ted Husted to enter into executive session at 9:42 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 10:10 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 taken.

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

Motion passed by a roll call vote.

Loan Review

MDS Manufacturing, Inc.

A motion was made by Don Kettering and seconded by Greg Heineman to approve the loan review as presented.

Motion passed by a roll call vote.

Old Business

Black Hills Fiberglass, LLC

A motion was made Pat Prostrollo and seconded by Norbert Sebade to approve the release of the lien on the existing equipment in exchange for a principal reduction on the loan balance.

Motion passed by a roll call vote.

New Business

Harbor Group Investments, LLC

A motion was made by Dale Clement and seconded by Pat Prostrollo to approve the waiver for a loan over \$1,000,000.

Motion passed by a roll call vote.

Harbor Group Investments, LLC

A motion was made by Ted Husted and seconded by Don Kettering to approve the REDI loan request to Harbor Group Investments, LLC in the amount of \$1,613,000. Secured by a shared first position on the real estate and the corporate guaranties of Harbor Group, Inc. and Interstate Control Systems.

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

Adjourn

A motion was made by Dale Clement and seconded by Pat Prostrollo to adjourn the meeting at 10:20 a.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
TUESDAY, MAY 31, 2016, 2:00 P.M.**

Members Present

Chairman Pat Prostrollo, Sharon Casey, Mike Luken and Ted Hustead

Staff Present

Deputy Commissioner Aaron Scheibe, Cassie Stoesser, Ashley Moore, Katelyn Hump, Cassidy Kulesa and Dave Anderson

Call to Order

Chairman Prostrollo called the meeting to order at 2:06 p.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.

IEDC Basic Training Approval

Grant Committee recommends to the board to pre-approve funding to applicants for the IEDC Basic Economic Development Course.

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

Motion passed by a roll call vote

Executive Session

A motion was made by Sharon Casey and seconded by Ted Hustead to enter into executive session at 2:14 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 Grant Committee out of executive session at 3:00 p.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 Ted Hustead to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Grant Reviews

Economic Development Partnership Program

Brookings Economic Development Corporation, Heart of the Hills Development Corporation, Mitchell Area Development Corporation, City of Wall, ZEAL Center for Entrepreneurship and Yankton Area Progressive Growth

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

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

Motion passed by a roll call vote

Glacial Lakes Area Development (RLF), GROW South Dakota (RLF) and City of Chamberlain (RLF)

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

Local Infrastructure Improvement Program

City of Gregory, City of Beresford and Edison Township

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

Reinvestment Payment Program

Campbell County Wind Farm, LLC

Grant Committee recommends to the Board approving the grant review as presented. A motion was made by Sharon Casey and seconded by Ted Husted. Motion passed by a roll call vote

South Dakota Jobs Program

Truxedo, Inc.

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

New Business

Economic Development Partnership Program IEDC Basic Training

Yankton Sioux Tribe

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

Yankton Sioux Tribe

Approve an Economic Development Partnership grant award to the Yankton Sioux Tribe in the amount of \$1,000.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for IEDC Basic Training,

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

Economic Development Partnership Program

Wagner Area Growth, Inc. and ZEAL Center for Entrepreneurship (RLF)

Grant Committee recommends to the Board denying as recommended by staff. A motion was made by Ted Husted and seconded by Mike Luken. Motion passed by a roll call vote

Beadle and Spink Enterprise Community, Inc. (RLF), South Eastern Development Foundation (RLF) and Sioux Falls Development Foundation

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

Beadle and Spink Enterprise Community, Inc. (RLF)

Approve an Economic Development Partnership grant award to the Beadle and Spink Enterprise Community, Inc. (RLF) 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.

South Eastern Development Foundation

Approve an Economic Development Partnership grant award to the South Eastern Development Foundation 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.

Sioux Falls Development Foundation, Inc.

Approve an Economic Development Partnership grant award to the Sioux Falls Development Foundation, Inc. in the amount of \$280,982.00, to be granted in accordance with the board's Economic Development Partnership Award Policy for Staff Funding.

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

Motion passed by a roll call vote

Local Infrastructure Improvement Program

City of Mount Vernon

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

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

Motion passed by a roll call vote

Faulkton Area Economic Development Corporation

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

Faulkton Area Economic Development Corporation

- Approve a Local Infrastructure Improvement grant award to the Faulkton Area Economic Development Corporation in the amount of \$384,000 to be granted in accordance with the board's Local Infrastructure Improvement Award Policy and as presented by staff.

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

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 3:09 p.m.

Motion passed by a roll call vote.

Dale Clement, Secretary or
Tony Klein, Treasurer

**CREDIT COMMITTEE
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
MONDAY, JUNE 6, 2016, 12:30 P.M. CT**

Members Present

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

Staff Present

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

Other Staff Present

Mike Bietz and Sam Helma - BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 12:30 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 Dale Clement and seconded by Pat Prostrollo to enter into executive session at 12:33 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 12:50 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 Pat Prostrollo and seconded by Don Kettering to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Loan Reviews

Carl V Carlson Company, Marmen Energy Co. and Metalworks, LLC

Credit Committee recommends to the Board approving the loan reviews and recommendations as presented.

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

Motion passed by a roll call vote.

Adjourn

A motion was made by Pat Prostrollo and seconded by Dale Clement to adjourn the meeting at 12:51 p.m.

Motion passed by a roll call vote

Dale Clement, Secretary or
Tony Klein, Treasurer

STATE OF SOUTH DAKOTA
CONSULTING CONTRACT

AGREEMENT made and entered into this ____ day of June, 2016 by and between the State of South Dakota, Governor's Office of Economic Development, a state agency, of 711 E Wells Ave., Pierre, SD 57501, (the "State") and Clausen and Rice, LLP, 430 West Sioux Ave, PO Box 1117, Pierre, SD 57501(the "Consultant").

The State hereby enters into this Agreement for services with Consultant in consideration of and pursuant to the terms and conditions set forth herein.

1. The Consultant will perform services for the State as follows: prepare monthly financial statements, assist in the fiscal year-end accounting, and provide financials to the Department of Legislative Audit for the SD Board of Economic Development's annual audit (BED). Consultant will also prepare quarterly financial statements for the grant programs administered under BED.

2. The Consultant's services under this Agreement shall commence on July 1, 2016, and end on June 30, 2017, unless sooner terminated pursuant to the terms hereof.

3. The Consultant will not use State equipment, supplies or facilities. The Consultant will provide the State with its Employer Identification Number, Federal Tax Identification Number or Social Security Number upon execution of this Agreement.

4. The State will make payment for services to be paid upon satisfactory completion of the services. The TOTAL CONTRACT AMOUNT is an amount not to exceed \$21,500 Payment will be made pursuant to itemized invoices submitted with a signed state voucher. Payment will be made consistent with SDCL ch. 5-26.

5. The Consultant agrees to indemnify and hold the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of performing services hereunder. This section does not require the Consultant to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, its officers, agents or employees.

6. The Consultant, at all times during the term of this Agreement, shall obtain and maintain in force applicable insurance coverage of the types as follows:

A. Commercial General Liability Insurance: The Consultant shall maintain occurrence based commercial general liability insurance or equivalent form with a limit of not less than \$250,000 for each occurrence. If such insurance contains a general aggregate limit it shall apply separately to this Agreement or be no less than two times the occurrence limit.

B. Worker's Compensation Insurance: The Consultant shall procure and maintain workers' compensation and employers' insurance as required by South Dakota law.

Before beginning work under this Agreement, Consultant shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement. In the event a substantial change in insurance, issuance of a new policy, cancellation or non-renewal of the policy, the Consultant agrees to provide immediate notice to the State and provide a new certificate of insurance showing continuous coverage in the amounts required. Consultant shall furnish copies of insurance policies if requested by the State.

7. While performing services hereunder, the Consultant is an independent contractor and not an officer, agent, or employee of the State of South Dakota.

8. Consultant agrees to report to the State any event encountered in the course of performance of this Agreement which results in injury to the person or property of third parties, or which may otherwise subject Consultant or the State to liability. Consultant shall report any such event to the State immediately upon discovery.

Consultant's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law. Consultant's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Consultant to report any event to law enforcement or other entities under the requirements of any applicable law.

9. This Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event the Consultant breaches any of the terms or conditions hereof, this Agreement may be terminated by the State at any time with or without notice. If termination for such a default is effected by the State, any payments due to Consultant at the time of termination may be adjusted to cover any additional costs to the State because of Consultant's default. Upon termination the State may take over the work and may award another party an agreement to complete the work under this Agreement. If after the State terminates for a default by Consultant it is determined that Consultant was not at fault, then the Consultant shall be paid for eligible services rendered and expenses incurred up to the date of termination.

No party shall be liable for a delay in performance or failure to perform its obligations under this Agreement if such delay or failure is due to acts of God or any other event beyond the control of the parties, including, without limitations, fire, explosion, weather, disease, war, insurrection, civil strife, riots, government action or power failure, provided, however, that the party who is unable to perform resumes performance as soon as possible following the end of the event causing the delay.

10. This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature

fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.

11. This Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.

12. This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

13. The Consultant will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

14. The Consultant may not use subcontractors to perform the services described herein without the express prior written consent of the State. The Consultant will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Consultant will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.

15. Consultant hereby acknowledges and agrees that all reports, plans, specifications, technical data, miscellaneous drawings, software system programs and documentation, procedures, or files, operating instructions and procedures, source code(s) and documentation, including those necessary to upgrade and maintain the software program, and all information contained therein provided to the State by the Consultant in connection with its performance of services under this Agreement shall belong to and is the property of the State and will not be used in any way by the Consultant without the written consent of the State. Papers, reports, forms, software programs, source code(s) and other material which are a part of the work under this Agreement will not be copyrighted without written approval of the State.

16. Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to J. Pat Costello on behalf of the State, and by John Clausen, on behalf of the Consultant, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

17. In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

18. In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

19. All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

In Witness Whereof, the parties signify their agreement effective the date above first written by the signatures affixed below.

STATE

CONSULTANT

BY: _____

BY: _____

DATE: _____

DATE: _____

-State Agency Coding (MSA Center):

- State Agency MSA Company for which contract will be paid:

-Object/subobject MSA account to which voucher will be coded:

-Name and phone number of contact person in State Agency who can provide additional information regarding this contract: Cassie Stoesser 605-773-5195

Memorandum

Date: June 14, 2016
To: Board of Economic Development
From: Cassie Stoesser, Director of Finance
Re: Board Appointments

Pursuant to administrative rule 68:02:01:56, "The chair shall appoint and may remove the members of committees established by the board." The Chair has appointed Reed Kessler to Credit Committee, and Pat Prostrollo as Vice-Chairman and Chair of Grant Committee. The chair's individual appointments to either Credit or Grant committee have in the past been presented to the full Board for its information only. However, the Board has traditionally taken formal action to accept the chair's appointment of a vice chairman.

Recommendation

Accept the appointment Pat Prostrollo as Vice-Chairman of the Board of Economic Development and Chair of Grant Committee.

Memorandum

Date: June 14, 2016
To: Board of Economic Development
From: Katelyn Hump, Grant Administrator
Re: IEDC Basic Training Approval

In January 2014 the Board of Economic Development approved a proposal to provide \$25,000 in funding for economic development practitioners to attend an IEDC (International Economic Development Council) Basic Economic Development Course. The Board approved reimbursement of 50%, up to \$1,000, of each individual's allowable costs associated with the IEDC Basic Economic Development Course, which include course registration, travel, lodging and per diem.

The Board's pre-approval was limited to economic development practitioners working for an organization already receiving an EDPP staffing grant. These individuals therefore submit receipts for reimbursement, and are reimbursed without further action by the Board. However, applicants from organizations not receiving an EDPP staffing grant must currently apply to the Board during its regularly scheduled quarterly EDPP application periods to seek reimbursement for these same IEDC courses.

Staff believes the IEDC Basic Training is a significant asset for our partners, regardless of whether their organization receives an EDPP staffing grant, and assists GOED in working with trained professionals in the field. At this time, Staff is therefore recommending the Board pre-approve the IEDC Basic Training course itself, rather than categories of individual applicants, so that any economic development practitioner may file an application and submit a request for reimbursement without further Board action. Practitioners would still have to represent an EDPP-eligible entity (e.g., city, economic development corporation) to receive funding. Staff believes this approach will encourage more practitioners to pursue the training, and will allow them to be reimbursed in a timely manner. Staff would plan to provide a memo to Grant Committee and the Board of Economic Development each grant cycle to inform of any new grant recipients.

Recommendation

Motion to pre-approve funding to applicants representing EDPP-eligible entities to attend the IEDC Basic Economic Development Course. Funding will be limited to 50% of eligible costs up to \$1,000, including course registration, travel, lodging, and per diem.

**SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND
FINANCIAL REPORT
(Compiled)
April 30, 2016**

CONTENTS

	<u>Page</u>
ACCOUNTANT'S COMPILATION REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statement of Net Assets	2
Statement of Revenues, Expenses and Changes in Net Assets	3
Statement of Cash Flows	4
ADDITIONAL LOAN INFORMATION - REDI	5-6
ADDITIONAL LOAN INFORMATION - SOUTH DAKOTA JOBS	7

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 April 30, 2016 and for the ten 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
May 20, 2016

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

April 30, 2016

See Accountant's Compilation Report

ASSETS	
Cash and Investments-Unrestricted	\$65,939,552
Cash and Investments-Designated for Approved REDI Loans	5,961,428
Cash-SD Jobs	<u>1,391,172</u>
Total Cash and Investments	\$73,292,152
Accounts Receivable-Bankwest	116,360
Loans Receivable - REDI, net of allowance of \$631,570	38,677,071
Loan Interest Receivable	70,504
Net Pension Asset	136,978
Equipment	1,750
Due From Other Funds	500,000
Investment Income Receivable	<u>2,224,379</u>
TOTAL ASSETS	<u>\$115,019,194</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows of Resources Related to Pensions	<u>121,211</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>121,211</u>
LIABILITIES	
Accounts Payable	\$14,262
Wages and Benefits Payable	\$25,507
Accrued Leave Payable	\$12,876
Due To Other Funds	<u>\$19,124</u>
TOTAL LIABILITIES	<u>\$71,769</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources Related to Pensions	<u>158,643</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>158,643</u>
NET POSITION	
Investment in Capital Assets	1,750
Unrestricted	<u>114,908,243</u>
TOTAL NET POSITION	<u>\$114,909,993</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$115,140,405</u>

SOUTH DAKOTA REVOLVING

ECONOMIC DEVELOPMENT AND INITIATIVE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Period Ending April 30, 2016

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
OPERATING REVENUE		
Interest Income on Loans - REDI	\$65,370	\$562,567
Ethanol Income - REDI	0	2,000,000
Other Income - REDI	10,066	137,773
Building South Dakota Income	0	52,851
LESS OPERATING EXPENSES		
Administrative Expenses	66,945	551,698
Bad Debt Expense	14,294	(245,654)
Other Expenses	2,683	15,181
Transfer to Ag.	0	0
Building South Dakota Grants	0	0
NET INCOME (LOSS) FROM OPERATIONS	(\$8,486)	\$2,431,966
NONOPERATING REVENUE		
Investment Income	272,734	2,224,379
CHANGE IN NET POSITION	\$264,248	\$4,656,345
NET POSITION, BEGINNING	114,645,745	110,253,648
Prior period Adjustment	0	0
NET POSITION, ENDING	<u>\$114,909,993</u>	<u>\$114,909,993</u>

SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND

STATEMENT OF CASH FLOWS

For the Period Ending April 30, 2016

See Accountant's Compilation Report

	Current Period	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	\$264,248	\$4,656,345
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	(802,471)	(3,977,549)
(Increase) Decrease in Loan		
Interest Receivable	(17,149)	(34,048)
(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	(272,734)	(1,337,113)
(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
	(\$828,106)	(\$192,365)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Prior Period Adjustment	0	0
	(\$828,106)	(\$192,365)
NET INCREASE IN CASH AND INVESTMENTS	(828,106)	(192,365)
CASH AND INVESTMENTS - BEGINNING	74,120,258	73,484,517
CASH AND INVESTMENTS - ENDING	\$73,292,152	\$73,292,152

SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND
ADDITIONAL LOAN INFORMATION - REDI
For the Period Ending April 30, 2016
See Accountant's Compilation Report

REDI LOANS APPROVED, NOT ADVANCED

<u>Company Name</u>	<u>Approval Date</u>	<u>Loan Amount</u>
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 *	884,000
Wentz Commercial Properties, LLC	7/16/2015	397,000
R&R Holdings, LLC	10/13/2015	606,000
Aberdeen Development Corporation/Magnum Trucking	1/12/2016	350,000
Vermillion Area Chamber of Commerce & Devp. Co.	2/10/2016	2,764,428
Total		<u>\$ 5,961,428</u>

* Increased \$59,000 on 2/10/16

See Accountant's Compilation Report

REDI LOANS ADVANCED, DURING APRIL		Advanced Date	Loan Amount
<u>Company Name</u>			
Bellmark Properties, Inc.		4/1/2016	\$772,622
Streff Properties, LLC		4/15/2016	\$234,000
			\$1,006,622

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

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

REDI LOANS WITHDRAWN, DURING APRIL		Withdrawal Date	Withdrawn Amount
<u>Company Name</u>			
Showplace Wood Products, LLC		4/11/2016	\$4,185,000
Gage Brothers Concrete Products, Inc.		4/21/2016	\$2,500,000

**SOUTH DAKOTA REVOLVING
ECONOMIC DEVELOPMENT AND INITIATIVE FUND
ADDITIONAL LOAN INFORMATION - SDJP
For the Period Ending April 30, 2016
See Accountant's Compilation Report**

SOUTH DAKOTA JOBS PROGRAM CASH & INVESTMENTS BALANCE

Dedicated SDJP Fund Cash and Investments Balance	3/31/2016	\$1,391,172
Plus: Investment Council Interest		0
South Dakota Jobs		0
Less:		0
		0
		0
Dedicated SDJP Fund Cash and Investments Balance	4/30/2016	<u>\$1,391,172</u>

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

RESTRICTED

<u>Company Name</u>	<u>Approval Date</u>	<u>Amount Remaining</u>	
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
		<u>\$36,480</u>	

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	<u>\$1,354,692</u>

**SOUTH DAKOTA ECONOMIC
DEVELOPMENT PARTNERSHIP PROGRAM
FINANCIAL REPORT**

(Compiled)

April 30, 2016

CONTENTS

	<u>Page</u>
ACCOUNTANT'S COMPILATION REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statement of Net Assets	2
Statement of Revenues, Expenses and Changes in Net Assets	3
Statement of Cash Flows	4
LOAN INFORMATION	5-6

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 April 30, 2016 and for the ten 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 is 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 Economic Development Partnership Program.

Clausen & Rice, LLP

Pierre, South Dakota
May 20, 2016

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

April 30, 2016

See Accountant's Compilation Report

ASSETS

Cash and Investments-Unrestricted	\$139,885
Cash and Investments-Designated for Approved Loans	1,173,703
	<hr/>
Total Cash and Investments	\$1,313,588
Investment Income Receivable	0
	<hr/>
	0
TOTAL ASSETS	<u><u>\$1,313,588</u></u>

LIABILITIES

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

NET POSITION

Unrestricted	<hr/>
	1,313,588
TOTAL NET POSITION	<u><u>\$1,313,588</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$1,313,588</u></u>

**SOUTH DAKOTA ECONOMIC
DEVELOPMENT PARTNERSHIP PROGRAM**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Period Ending April 30, 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	75,220	1,415,876
NET INCOME (LOSS) FROM OPERATIONS	(\$75,220)	\$263,838
NONOPERATING REVENUE		
Reclamation of Grants	0	0
CHANGE IN NET POSITION	(\$75,220)	\$263,838
NET POSITION, BEGINNING	1,388,809	1,049,750
Prior period Adjustment	0	0
NET POSITION, ENDING	\$1,313,588	\$1,313,588

**SOUTH DAKOTA ECONOMIC
DEVELOPMENT PARTNERSHIP PROGRAM**

STATEMENT OF CASH FLOWS

For the Period Ending April 30, 2016

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	(\$75,220)	\$263,838
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	(\$75,220)	\$263,838
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Prior Period Adjustment	0	0
	<hr/>	<hr/>
NET INCREASE IN CASH AND INVESTMENTS	(\$75,220)	\$263,838
CASH AND INVESTMENTS - BEGINNING	<u>1,388,809</u>	<u>1,049,750</u>
CASH AND INVESTMENTS - ENDING	<u><u>\$1,313,588</u></u>	<u><u>\$1,313,588</u></u>

**SOUTH DAKOTA ECONOMIC
DEVELOPMENT PARTNERSHIP PROGRAM
LOAN INFORMATION - EDPP
For the Period Ending April 30, 2016
See Accountant's Compilation Report**

CASH & INVESTMENTS BALANCE

Fund Cash and Investments Balance	3/31/2016	\$1,388,809
Plus: Investment Council Interest Contribution		0
Less:		
Faulkton Area Economic Dev. Corp.		(26,023)
Lake Francis Case Dev. Corp.		(12,030)
City of Wall		(37,168)
Dedicated Fund Cash and Investments Balance	4/30/2016	\$1,313,588

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 ~	29,849	\$103,000 Authorized
*Moved \$23,505 to uncommitted balance on 12/9/14			\$49,646 Disbursed
Arlington Community Development Corp.	10/8/2013	38,707	\$88,310 Authorized
*Approved \$33,310 increase on 12/9/14			\$49,603 Disbursed
Southern Hills Economic Development Corp.	9/11/2013	17,070	\$56,900 Authorized
			\$39,830 Disbursed
De Smet Development Corp.	10/8/2013	9,863	\$42,820 Authorized
*Moved \$9,941 to uncommitted balance on 12/9/14			\$23,016 Disbursed
Faulkton Area Economic Development Corp.	12/10/2013	15,666	\$52,220 Authorized
			\$36,554 Disbursed
Lake Francis Case Development Corp.	12/10/2013	7,812	\$62,275 Authorized
			\$54,464 Disbursed
Wounded Knee Development Corp.	12/10/2013	65,880	\$109,800 Authorized
*Approved \$55,800 increase on 11/12/14			\$43,920 Disbursed
Heart of the Hills Economic Dev. Corp.	3/11/2014	3,000	\$10,000 Authorized
			\$7,000 Disbursed
Brooking Economic Dev. Corp.	6/10/2014	25,200	\$84,000 Authorized
			\$58,800 Disbursed

Mitchell Area Dev. Corp.	6/10/2014	41,851	\$139,502	Authorized
			\$97,651	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	88,328	\$125,496	Authorized
			\$37,168	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) *Withdrawn 4/27/16	12/8/2015	0	\$1,000	Authorized
			\$0	Disbursed
Viborg Economic Development Corporation	12/8/2015	41,526	\$41,526	Authorized
			\$0	Disbursed
City of Wall	3/8/2016	1,000	\$1,000	Authorized
			\$0	Disbursed
Centerville Development Corporation	3/8/2016	830	\$830	Authorized
			\$0	Disbursed
Brookings Economic Development Corporation	3/8/2016	133,000	\$133,000	Authorized
			\$0	Disbursed
West River Foundation for Economic and Community Development	3/8/2016	250,000	\$250,000	Authorized
			\$0	Disbursed
Centerville Economic Development Corporation	3/8/2016	13,006	\$13,006	Authorized
			\$0	Disbursed
			<u>\$1,173,703</u>	

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

UNRESTRICTED

Total Cash and Investments	\$1,313,588
Less Cash and Investments-Restricted for Approved Loans/Grants	\$1,173,703
Total Unrestricted Cash and Investments	<u>\$139,885</u>

**SOUTH DAKOTA LOCAL
INFRASTRUCTURE IMPROVEMENT PROGRAM
FINANCIAL REPORT
(Compiled)
April 30, 2016**

CONTENTS

	<u>Page</u>
ACCOUNTANT'S COMPILATION REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statement of Net Assets	2
Statement of Revenues, Expenses and Changes in Net Assets	3
Statement of Cash Flows	4
LOAN INFORMATION	5-6

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 April 30, 2016 and for the ten 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
May 20, 2016

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

April 30, 2016

See Accountant's Compilation Report

ASSETS		
Cash and Investments-Unrestricted	\$2,322,916	
Cash and Investments-Designated for Approved Grants	3,136,048	
	<hr/>	
Total Cash and Investments	\$5,458,964	
Investment Income Receivable	0	
	<hr/>	
TOTAL ASSETS	\$5,458,964	
	<hr/> <hr/>	
LIABILITIES		
	<hr/>	\$0
	<hr/>	
TOTAL LIABILITIES	\$0	
	<hr/> <hr/>	
NET POSITION		
Unrestricted	5,458,964	
	<hr/>	
TOTAL NET POSITION	\$5,458,964	
	<hr/> <hr/>	
TOTAL LIABILITIES AND NET POSITION	\$5,458,964	
	<hr/> <hr/>	

SOUTH DAKOTA LOCAL

INFRASTRUCTURE IMPROVEMENT PROGRAM

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Period Ending April 30, 2016

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
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	33,929	1,134,780
NET INCOME (LOSS) FROM OPERATIONS	(\$33,929)	\$1,672,493
NONOPERATING REVENUE		
Reclamation of Grants	0	0
CHANGE IN NET POSITION	(\$33,929)	\$1,672,493
NET POSITION, BEGINNING	5,492,893	3,786,471
Prior period Adjustment	0	0
NET POSITION, ENDING	<u>\$5,458,964</u>	<u>\$5,458,964</u>

**SOUTH DAKOTA LOCAL
INFRASTRUCTURE IMPROVEMENT PROGRAM**

STATEMENT OF CASH FLOWS

For the Period Ending April 30, 2016

See Accountant's Compilation Report

	Current Period	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	(\$33,929)	\$1,672,493
Adjustments to Reconcile Net Income to Net Cash provided from (used in) Operating Activities:		
(Increase) Decrease in Investment Income Receivable	0	0
	(\$33,929)	\$1,672,493
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Prior Period Adjustment	0	0
	0	0
NET INCREASE IN CASH AND INVESTMENTS	(\$33,929)	\$1,672,493
CASH AND INVESTMENTS - BEGINNING	5,492,893	3,786,471
CASH AND INVESTMENTS - ENDING	\$5,458,964	\$5,458,964

**SOUTH DAKOTA LOCAL
INFRASTRUCTURE IMPROVEMENT PROGRAM
LOAN INFORMATION
For the Period Ending April 30, 2016
See Accountant's Compilation Report**

CASH & INVESTMENTS BALANCE

Fund Cash and Investments Balance	3/31/2016	\$5,492,893
Plus: Investment Council Interest		0
Building South Dakota		0
		0
Less:		
City of Gregory		(33,929)
Cash and Investments Balance	4/30/2016	<u>\$5,458,964</u>

CASH & INVESTMENTS BALANCE APPROVED, NOT ADVANCED

RESTRICTED

<u>Company Name</u>	<u>Approval Date</u>	<u>Amount Remaining</u>	
Brooking County	9/11/2013	0	\$400,000 Authorized
*Moved \$45,590.21 to uncommitted balance on 01/07/16			\$354,410 Disbursed
City of Castlewood	12/10/2013	22,708	\$100,000 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	\$143,000 Authorized
*Moved \$20,601.67 to uncommitted balance on 01/02/16			\$122,398 Disbursed
City of Gregory	6/10/2014	0	\$150,000 Authorized
*Moved \$13,432.50 to uncommitted balance on 04/6/16			\$136,568 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	0	\$43,000	Authorized
			\$32,117	Disbursed
*Moved \$10,882.57 to uncommitted balance on 04/6/16				
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
Greater Rapid City Area Economic Development Corporation	3/8/2016	500,000	\$500,000	Authorized
			\$0	Disbursed
Arlington Community Development Corporation	3/8/2016	500,000	\$500,000	Authorized
			\$0	Disbursed
Rosebud Economic Development Corporation	3/8/2016	230,573	\$230,573	Authorized
			\$0	Disbursed
			<u>\$3,136,048</u>	

UNRESTRICTED

Total Cash and Investments	\$5,458,954
Less Cash and Investments-Restricted for Approved Grants	\$3,136,048
Total Unrestricted Cash and Investments	<u>\$2,322,915</u>

SOUTH DAKOTA
REINVESTMENT PAYMENT PROGRAM
FINANCIAL REPORT
(Compiled)
April 30, 2016

CONTENTS

	<u>Page</u>
ACCOUNTANT'S COMPILATION REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statement of Net Assets	2
Statement of Revenues, Expenses and Changes in Net Assets	3
Statement of Cash Flows	4
LOAN INFORMATION	5

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 Reinvestment Payment Program
Pierre, South Dakota

We have compiled the accompanying financial statements of South Dakota Reinvestment Payment Program as of April 30, 2016 and for the ten 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 page 5 is 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
May 20, 2016

SOUTH DAKOTA
REINVESTMENT PAYMENT PROGRAM
STATEMENT OF NET ASSETS

April 30, 2016

See Accountant's Compilation Report

ASSETS	
Cash and Investments-Unrestricted	\$0
Cash and Investments-Designated for Approved Loans	0
	<hr/>
Total Cash and Investments	\$0
Investment Income Receivable	0
	<hr/>
	0
TOTAL ASSETS	\$0
	<hr/> <hr/>
LIABILITIES	
	<hr/>
	\$0
TOTAL LIABILITIES	\$0
	<hr/> <hr/>
NET POSITION	
Unrestricted	0
	<hr/>
TOTAL NET POSITION	\$0
	<hr/> <hr/>
TOTAL LIABILITIES AND NET POSITION	\$0
	<hr/> <hr/>

SOUTH DAKOTA

REINVESTMENT PAYMENT PROGRAM

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Period Ending April 30, 2016

See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
OPERATING REVENUE		
Investment Income	\$0	\$0
Transfer in - RPP	0	3,231,123
LESS OPERATING EXPENSES		
Administrative Expenses	0	0
Other Expenses	0	0
Grants and Subsidies	<u>203,060</u>	<u>3,231,123</u>
NET INCOME (LOSS) FROM OPERATIONS	(\$203,060)	\$0
NONOPERATING REVENUE		
Reclamation of Grants	<u>0</u>	<u>0</u>
CHANGE IN NET POSITION	(\$203,060)	\$0
NET POSITION, BEGINNING	203,060	0
Prior period Adjustment	<u>0</u>	<u>0</u>
NET POSITION, ENDING	<u><u>\$0</u></u>	<u><u>\$0</u></u>

SOUTH DAKOTA
REINVESTMENT PAYMENT PROGRAM
STATEMENT OF CASH FLOWS
For the Period Ending April 30, 2016
See Accountant's Compilation Report

	<u>Current Period</u>	<u>Year to Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	(\$203,060)	\$0
Adjustments to Reconcile Net Income to Net Cash provided from (used in) Operating Activities:		
(Increase) Decrease in Investment Income Receivable	0	0
	(\$203,060)	\$0
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Prior Period Adjustment	0	0
	0	0
NET INCREASE IN CASH AND INVESTMENTS	(\$203,060)	\$0
CASH AND INVESTMENTS - BEGINNING	<u>203,060</u>	<u>0</u>
CASH AND INVESTMENTS - ENDING	<u><u>\$0</u></u>	<u><u>\$0</u></u>

SOUTH DAKOTA
REINVESTMENT PAYMENT PROGRAM
LOAN INFORMATION

For the Period Ending April 30, 2016

See Accountant's Compilation Report

CASH & INVESTMENTS BALANCE

Fund Cash and Investments Balance	3/31/2016	\$203,060
Plus: Investment Council Interest		0
Transfer from Department of Revenue		0
Less:		
Interbake Foods, LLC		(203,060)
Dedicated Fund Cash and Investments Balance	4/30/2016	<u>\$0</u>

CASH & INVESTMENTS BALANCE APPROVED, NOT ADVANCED

RESTRICTED

<u>Company Name</u>	<u>Approval Date</u>	<u>Amount Remaining</u>	
Novita Aurora, LLC	8/13/2013	771,082	\$771,082 Authorized
			\$0 Disbursed
Consumers Supply Distributing, LLC	5/13/2014	0	\$240,852 Authorized
			\$240,852 Disbursed
Campbell County Wind II, LLC	5/13/2014	3,883,683	\$3,883,683 Authorized
			\$0 Disbursed
Hansen Manufacturing	8/12/2014	294,543	\$294,543 Authorized
			\$0 Disbursed
Day County Wind II, LLC	8/12/2014	4,419,600	\$4,419,600 Authorized
			\$0 Disbursed
3M Brookings - Project #2	10/3/2014	1,323,960	\$1,323,960 Authorized
			\$0 Disbursed
Interbake Foods, LLC	11/12/2014	0	\$203,060 Authorized
			\$203,060 Disbursed
PEG Project 1, LLC	12/9/2014	356,420	\$356,420 Authorized
			\$0 Disbursed
Polaris Sales Inc. - Project 1	3/9/2015	44,900	\$44,900 Authorized
			\$0 Disbursed
Ring-Neck Energy & Feed, LLC	10/13/2015	1,997,738	\$1,997,738 Authorized
			\$0 Disbursed
*Approved \$813,893 increase on 4/12/16			
GCC Dacotah, Inc.	3/8/2016	1,602,210	\$1,602,210 Authorized
			\$0 Disbursed
		<u>\$14,694,136</u>	