

SOUTH DAKOTA
ECONOMIC DEVELOPMENT FINANCE AUTHORITY

FINANCIAL REPORT

(Compiled)

December 31, 2016

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Accountant's Compilation Report

To the Board of Directors
South Dakota Economic Development Finance Authority
Pierre, South Dakota

Management is responsible for the accompanying financial statements of South Dakota Economic Development Finance Authority (a Non-Major Component Unit of the State of South Dakota) as of December 31, 2016, and the related statements of revenues, expenses and changes in net fund assets and cash flows for the six months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Entity's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to South Dakota Economic Development Finance Authority.

Clausen & Rice, LLP

Pierre, South Dakota
February 9, 2017

South Dakota
Economic Development Finance Authority
Statement of Net Position
December 31, 2016
See Accountant's Compilation Report

ASSETS

Cash and investments	9,709,382.46
Loans receivable - net of allowance of \$283,367	9,263,549.68
Loan interest receivable	38,578.52
Investment income receivable	24,324.47
Accounts Receivable	0.00
Deferred Charges	0.00
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TOTAL ASSETS	19,035,835.13

LIABILITIES

Accounts payable	4,387.15
Accrued Interest payable	115,058.13
Due to other governments	0.00
Bonds payable	9,120,000.00
Long term loan escrow payable	850,853.35
Amounts held in custody for others	0.00
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TOTAL LIABILITIES	10,090,298.63

NET POSITION

Restricted for Debt Service	5,000,000.00
Unrestricted	3,945,536.50
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TOTAL NET POSITION	8,945,536.50

TOTAL LIABILITIES AND NET POSITION	19,035,835.13
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South Dakota
Economic Development Finance Authority
Statement of Revenues, Expenses, & Changes in Net Position
For the Period Ending December 31, 2016
See Accountant's Compilation Report

	<u>Current Period Oct. to Dec.</u>	<u>Year to Date</u>
OPERATING REVENUE		
Interest income on loans	120,184.03	241,254.39
LESS OPERATING EXPENSES		
Administrative expenses	32,922.16	37,309.31
Interest expense	116,987.97	231,224.67
Refund to Institution	-	-
Payments to Loan Recipients	-	-
NET INCOME (LOSS) FROM OPERATIONS	<u>(29,726.10)</u>	<u>(27,279.59)</u>
NONOPERATING REVENUE		
Investment Income	<u>23,843.81</u>	<u>45,752.87</u>
NET INCOME (LOSS)	(5,882.29)	18,473.28
NET POSITION, BEGINNING	8,951,418.79	8,927,063.22
NET POSITION, ENDING	<u><u>8,945,536.50</u></u>	<u><u>8,945,536.50</u></u>

South Dakota
Economic Development Finance Authority
Statement of Cash Flows
For the Period Ending December 31, 2016
See Accountant's Compilation Report

	Current Period Oct. to Dec.	Year to Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	(5,882.29)	18,473.28
Adjustments to Reconcile Net Income to		
Net Cash provided from (used in) Operating Activities:		
(Increase) Decrease in Loans Receivable	112,456.02	225,861.24
(Increase) Decrease in Loan		
Interest Receivable	-	-
(Increase) Decrease in Investment		
Income Receivable	(5,018.03)	(4,404.10)
Increase (Decrease) in Accounts Payable	-	-
Increase (Decrease) in Accrued Interest Payable	(115,058.12)	(821.42)
Increase (Decrease) in Due to State General Fund	-	-
Increase (Decrease) in Due to Other Governments	(361,226.61)	(361,226.61)
Increase (Decrease) in Bonds Payable	-	-
Increase (Decrease) in Long Term Escrow Payable	2,950.74	5,124.01
Increase (Decrease) in Amounts Held in the Custody for Others	-	-
	(371,778.29)	(116,993.60)
NET INCREASE IN CASH AND INVESTMENTS		
CASH AND INVESTMENTS - BEGINNING	10,081,160.75	9,826,376.06
CASH AND INVESTMENTS - ENDING	9,709,382.46	9,709,382.46