



**Northeast South Dakota Community Action Program
Northeast South Dakota Economic Corporation
GROW South Dakota**

ANNUAL REPORT 2016

FROM THE CHAIRS



For NESDCAP, 2016 was a year-long celebration that highlighted the 50th anniversary of the organization's founding in 1966.

Marking this historic year was the 50th Anniversary Gala in April. Nearly 200 people joined us to recognize many years of helping the communities of northeastern South Dakota. It was a reflection of what can happen when people come together to make their homes and communities better places (see page 3).

Another recognition that makes me proud as a board member is the Pay It Forward initiative, in which GROW SD staff and board members selected their favorite community organization to receive a \$50 donation from GROW SD. About 30 organizations received donations. This was an opportunity to recognize the many groups that help our communities thrive (see pages 4-5).

I'm also honored to be writing this as the new Chair of the NESDCAP Board of Directors. I want to thank Tom Farber for his service as Chair for 20 years. He is very committed to our region.

As Chair, I look forward to launching the next 50 years of NESDCAP's service to our part of the state. We as a Board have started on the right foot by undertaking the Excellence in Governance program of NeighborWorks America (see page 9). I want to thank Board members Dwight Hossle and Vikki Day who traveled with me for trainings that we are bringing back home. We appreciated that NeighborWorks national staff came for our "graduation" at the Board retreat we held in Aberdeen in September.

This is a great organization with a great history, and I look forward to a wonderful year. Thanks to everyone who helps NESDCAP make such a difference.

Debbie Anderson, Chair
NESDCAP

It's a privilege to report as the Chair of both NESDEC and GROW South Dakota. We've focused on NESDCAP's 50th, but our organizations are approaching milestones too. NESDEC will reach 40 years in 2018, and GROW SD will be 10 years old in 2017. We are fortunate to be served by them.



Both organizations remain financially healthy. Total and net assets continue to grow, and our ratios reflect strength. Debt is manageable and low and assets to liabilities are high by industry standards. I thank our Board and staff members for exemplary performance.

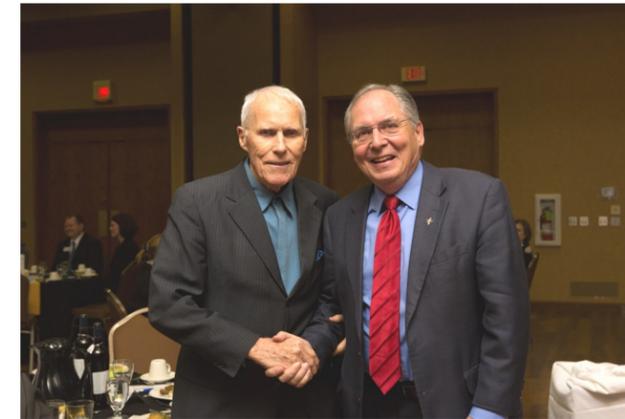
Our organizations' impact has been significant. You will see more in this report, but suffice it to say that combining their contributions, more than 11,500 jobs have been created or maintained as a result of nearly 2,000 loans to more than 1,200 businesses. More than 250 homeowners have benefited from \$5 million in home loans. This just touches the surface.

The future continues to be bright. As U.S. Treasury-certified Community Development Financial Institutions, NESDEC and GROW SD have increased access to capital to expand lending programs, particularly to support low-income homebuyers and low-equity businesses.

In addition, the GROW South Dakota Foundation has surpassed \$100,000, which will help build toward the sustainability of our organizations. We're still at the beginning stages, but we're grateful for the support we've received from so many people who see the need for what we do.

I have served on the NESDEC board since 1996 and on the GROW SD board since its inception in 2007. Being part of these agencies gives me great pride because of the important work they've done. I look forward to more great years and many more celebrations.

Dan Menking, Chair
NESDEC and GROW South Dakota



Gala Celebrates GROW's 50th Anniversary

On April 7, 180 people attended a birthday party for GROW South Dakota. Celebrating its 50th anniversary as a Community Action Agency, GROW SD invited clients, board members, volunteers, staff, and other supporters to its second Gala, which was held at the Ramkota Convention Center in Aberdeen.

In addition to enjoying food and good conversation, guests enjoyed a great program. Tom Farber, Chairman of the GROW SD Board of Directors, served as MC for the evening and provided a historical overview of the contributions and highlights of GROW's first 50 years. He was followed by guest speaker V.J. Smith, best-selling author and former executive director of the SDSU Alumni Association. Mr. Smith entertained the audience with stories that focused on the importance of humility and gratitude.



During the program, Mr. Farber invited guests to make a contribution to the GROW SD Foundation, the endowment fund created by GROW in 2013 as a source of perpetual support for the organization. More than \$14,000 was collected to add to the endowment.

The entire evening supported the GROW SD Foundation, including the support of many sponsors. Premier Sponsors were Dacotah Bank and the Rural Electric Economic Development Fund. Event Sponsors included First Bank & Trust, Howalt & McDowell Insurance, Rural LISC, and Wells Fargo. Other sponsors were Dakota Resources, First State Bank of Roscoe, and Farmers State Bank of Turton, Heartland Consumers Power District, and the South Dakota Community Foundation. In addition, numerous businesses and individuals donated items for raffles and wine bottles for the wine pull.



Community Organizations Receiving Pay-It-Forward Donations

- Aberdeen Humane Society
- Aberdeen Public Library
- Aberdeen Roncalli Junior Achievement
- Aberdeen Area Boys & Girls Club
- Britton Baseball
- Britton Lions Club
- Britton Youth Wrestling Club
- Doland Housing
- Eden Volunteer Fire Department
- Eureka Thrift Store
- Fort Pierre Economic Development
- Fort Pierre Heartland 4-H Rodeo
- Good Samaritan Tri-County Food Pantry
- Groton Baseball
- Huron Heartland Region Backpack Program
- Hyde County Food Pantry (Horizon Group)
- Langford Daycare
- Langford Summer Recreation Baseball
- Marshall County VFW
- Miller Helping Hands
- Northern State University Northern Highlights Dance Team
- Redfield Family Crisis Center
- Redfield Tri-County Food Pantry
- Roberts Co Pheasants Forever
- Roberts Co. 4-H Building
- SD Future Business Leaders of America
- Sisseton 4-H
- Sisseton Area Partners for Progress
- Sisseton Baseball Association
- Sisseton Community Transit
- Sisseton Food Pantry
- Sisseton Library
- Sisseton Ministerial Association Food Pantry
- Sisseton Swimming Pool Association
- Sisseton Tribal Elderly Nutrition Program
- Spurs Therapeutic Riding Center
- Webster Diamond Club
- Webster Public Library

Pay It Forward Program: GROW South Dakota has been helping communities for fifty years, and to celebrate that milestone, each staff member and board member has received \$50 to donate to a community organization. Dozens of organizations benefited.





STAFF



Marcia Erickson
Chief Executive Officer



Lori Finessand
Chief Executive Officer



Robert Biel
HVAC Technician/
QC1 Inspector



Dustin Bragg
Home Improvement
Coordinator/QC1 In-



Carla Burns
SBDC Consultant



Tim Carl
Lead Weatherization
Installer



Joann Curran
Program Support
Associate



Dakota Feller
SBDC Intern



Patrick Gallagher
Resource Development
Director



Leann Glynn
Finance Director



Jared Groos
Loan Officer



Kristin Hofland
Assistant Housing
Manager



Rebecca Honl
Loan Officer



Sandy Leiseth
Housing Officer



Kimberly Lorensberg
Chief Financial Officer



Lori Moen
Chief Operating
Officer



Mark Nelson
Loan Officer



Maureen Nelson
Project Director &
IDA Coordinator



Sheila Oreskovich
Loan Administrator



Cory Peterson
Weatherization
Installer



Star Provincial
Customer Service
Associate



Katie Rasmus
Program & Finance
Director



Joan Rice
Fiscal Support
Associate



Stephanie Sexton
Program & Loan
Associate



Sherri Skjonsberg
Project Coordinator



Wade Veflin
Housing Loan
Officer



Brenda Waage
Housing Loan
Officer



Kelly Weaver
SBDC Regional
Director

GROW South Dakota Names “Picturing South Dakota” Facebook Photo Contest Winners



Winning photo: Yankton's Two Bridges

In summer 2016, GROW South Dakota held “Picturing South Dakota,” a photo contest on Facebook, which invited South Dakotans to submit a photo of their favorite place in the state. Christine Feltes of Yankton won with a photo she called “Beautiful Clouds over Yankton’s Two Bridges.” As the winner, the Yankton Homeless Shelter, the organization she chose, received a \$50 Pay-It-Forward donation from GROW SD.

About her winning entry, Christine said, “I took the photo one evening as I was out for an evening stroll. The cloud formations that evening were beautiful and very unique. I was struck by the lighting of the scene. I love the two bridges of Yankton, the old Meridian Bridge, now a walking bridge, and the new Discovery Bridge. I feel that both are symbolic of Yankton, historic, yet looking to the future. They span the Missouri River and connect South Dakota to Nebraska.”



Runner Up: Reflections of Roslyn

The first runner up in the contest was Josh Wagner of Roslyn, who submitted a unique photo taken from his back yard. Testing his kayak out for the first time in the season in the slough behind his house, he took a photo. “The reflection was so perfect,” he said. “What is submitted is the picture rotated 180 degrees. The faded reflection at top starts to look like stars in the sky, but in actuality, is the water coming into clearer focus. I captured this photo with my iPhone.” The third place winner, a photo of a wagon ride in Langford, was submitted by the Hagen family during their July 2016 reunion in Langford.



Third Place: Langford Wagon

Picturing South Dakota ran from July 15 through July 25. The three photos that received the most “likes” were winners. The winning photos, as well as all submissions, can be found at GROW SD’s Facebook page: www.facebook.com/GROWSouthDakota

As the winner, Christine participated in GROW SD’s Pay-It-Forward program, making her donation to the homeless shelter.

NESDCAP Board Retreat September 2016



The NESDCAP Board held a retreat in Aberdeen in September. Besides Board development activities, they celebrated the Excellence in Governance graduation, which included a \$10,000 grant from NeighborWorks America. The retreat included a tour of GROW SD loans in Aberdeen. The group rode on a tour bus supplied by Duenwald Transportation, a GROW SD client (see page 10).

First NESDCAP director Al Ostroot returned to South Dakota for the 50th anniversary Gala in April 2016. He joined former staff members and current CEOs Lori Finnesand (left) and Marcia Erickson in celebrating the long-term contributions of the GROW SD family.



Longtime executive director for NESDCAP/ NESDEC Bob Hull also attended the anniversary Gala in April.



GROW South Dakota Headlines

GROW SD Earns Bush Prize

The Bush Foundation awarded the 2015 Bush Prize for Community Innovation to eight



GROW SD CEOs receive the Bush Prize recognition award.

organizations with a track record of making great ideas happen, including GROW South Dakota. Bush Prize winners receive a package that includes promotional support and materials, and an unrestricted grant equal to 25 percent of the organization's prior fiscal year budget, up to \$500,000.

The Bush Prize is a prestigious award from the foundation, which supports community development throughout the Dakotas and Minnesota.

NESDCAP Elects New Board Officers

Deb Anderson took over the role as Chair of the NESDCAP Board of Directors. She follows Tom Farber, who served as the board chair for 20 years and remains on the board.

Tom Farber began his term as Chair in 1996. His leadership skills led the board and business ventures, volunteer activities, and community development projects. Highly respected for his knowledge of housing, community and economic development, Tom always looks for new opportunities that will improve the quality of life for residents of his community.

A small business owner in Roberts County, Deb Anderson has served on the NESDCAP board of directors since 2010.

She was instrumental in leading the board to apply for the Excellence in Governance national program, an 18-month customized leadership development initiative (below).

NESDCAP Board Does Governance Program

Congratulations to the NESDCAP board of directors for completing the NeighborWorks America Excellence in Governance program. The training program is designed to help responsible community development boards become exceptional. NeighborWorks selected NESDCAP as one of a few organizations to participate, and the group completed their training during the recent NeighborWorks Training Institute in Los Angeles in early May



Participating in the Excellence in Governance Program were (from left): Vikki Day, Judith Rose from NeighborWorks America, Deb Anderson, Lori Finnesand, Marcia Erickson, and Dwight Hossle.

GROW South Dakota Headlines

and celebrated their graduation from the program at the NESDCAP Board Retreat in September.

Three board members—Chair Deb Anderson, Vice-Chair Dwight Hossle, and Secretary Vikki Day—and GROW SD’s co-CEOs Lori Finnesand and Marcia Erickson participated in the 18-month program, which involved a self-assessment, a full board retreat, plus training sessions with board members from other organizations in the training cohort.

GROW SD Acquires Mid-Dakota Economic Development Corporation Loan Fund
GROW South Dakota received \$250,000 in funding from Mid-Dakota Economic Development Corporation to support small businesses in central South Dakota. “We’re grateful for Mid-Dakota’s investment in our revolving loan fund for businesses. It allows us to support entrepreneurs with affordable business loans in South Dakota communities,” said Lori Finnesand, GROW SD CEO.

The funds from Mid-Dakota Economic Development Corporation are available to small businesses in 18 South Dakota counties.



Capping off the agreement were Jim Protexter, Executive Director of Mid-Dakota, and GROW SD CEO Lori Finnesand.

LOOKING AT LENDING

GROWing Places!

Dan Duenwald knows transportation. He had been in the business 20 years when he decided to take a risk and start his own business. In 2012, Duenwald Transportation, LLC submitted, and won, the bid for the Clark School District school bus contract.

The business consists of multiple lines; school bus routes, party buses, luxury coach buses,



isowean pig hauling, and school bus service and driver training. In 2014 the business was growing leaps and bounds. New buses were being added to the fleet, and they could not rent enough storage to accommodate and maintain all of the vehicles. GROW SD, in partnership with a local bank, financed a new shop for Duenwald Transportation in Clark, which has ample space to service all of the buses and includes a truck wash .

Four members of Dan’s family—Chad, Kevin, Melody, and son-in-law Chris Bokinskie—joined him in creating the business. Each runs a separate line of the business. Today, Duenwald Transportation runs a 21-driver transportation business.

GROW South Dakota Headlines

GROWing Kakes!

Kyra Kern opened Kountry Kakes & More, LLC, in February 2013 with a goal of providing unique bakery goods, and business has been booming ever since. Kyra can bake customized cakes, cupcakes, cookies, rolls, and nearly anything else a customer requests. For many years she only baked part time for friends and family until she decided to make a career out of it. She had many requests from potential customers but since she was baking out of her kitchen she didn’t have enough room to consider starting her own business. With the help of GROW SD, Kyra built a bakery on her and her husband’s farm three miles north of Aberdeen. “Without GROW South Dakota I wouldn’t be where I’m at today.” Kyra said. “Business has been amazing. I’m shocked at how quickly business has picked up for me.”

Kyra is involved in every aspect of her business. From ordering to delivery, she handles it all, which ensures that the customer gets the excellent customer service she strives for. Going forward Kyra wants to continue making her customers happy, maintain her growing her business, and keep learning about new products for her expanding customer base.



GROWing Home!

“Our overall feelings toward the home are inexplicable joy and relief. It feels like it was time and meant to be home,” said new homeowner Jennifer Hornedeagle. GROW SD provided down payment/closing cost assistance to make the purchase happen.

The Hornedeagles’ financing came from a number of other partners too, primarily through a USDA Rural Development Section 502 Direct Single Family Housing loan packaged by Homes Are Possible Inc. in Aberdeen. Additional partners included the Coalition of Indian Housing Advocates & Native Developers and Dacotah Bank. Together they deliver the Native American Homeownership Initiative program, which is funded through the Federal Home Loan Bank of Des Moines. This funding helps provide Native American families affordable homeownership opportunities.

“GROW South Dakota was honored to be a part of the Hornedeagles’ story. Their dedication and commitment to create a lasting legacy for their family is undeniably homeownership at its best,” said Wade Veflin, GROW SD Housing Loan Officer. The down payment/closing cost funding came from the South Dakota Housing Opportunity Fund.

“The Hornedeagles’ story is a great message for advocating how the various links and connections are solutions to providing affordable housing,” said Lori Moen, Chief Operating Officer, at GROW South Dakota.

“This home enabled us to put down roots and provided a place for our children to create lasting memories,” added Hornedeagle. “There is no doubt our family’s quality of life has improved and the location is perfect.”

GROW South Dakota Headlines

GROW SD Again Earns “Exemplary” Rating from NeighborWorks America

In 2016 GROW SD again received an Exemplary rating from NeighborWorks America, the top rating. It was the third time in a row that GROW SD achieved the rating, which is issued every three years. The rating system was established to help NeighborWorks report to Congress, funders and taxpayers on its use of grant funds. GROW SD has been a NeighborWorks charter member since 2007.

Nick Blaske to produce a mural that represents the diversity of the Sisseton community.



GROW SD Earns FHA Designation

In June 2016, GROW South Dakota received approval from the Federal Housing Administration to provide down payment closing cost assistance to FHA-qualified homebuyers. Through early 2016, GROW SD had funding designated for down payment assistance in South Dakota’s urban areas of Sioux Falls and Rapid City that was going unused because many income-qualified buyers there utilized FHA loans, but GROW SD could not provide assistance to those buyers. Thanks to GROW SD’s ability to partner with FHA, more buyers in those cities can buy homes.

The façade grant program supported many businesses with funds for upgrades in anticipation of Sisseton’s 125th anniversary. At GROW SD’s headquarters, another façade grant helped install a new park bench and garbage can near the sidewalk in the corner of the parking lot.

CDFI Grants GROW SD Over \$2 Million

GROW SD was awarded more than \$2 million in grants from the U.S. Treasury’s Community Development Financial Institutions Fund (CDFI). GROW SD and NESDEC, both of which are certified CDFIs, received the awards, which will expand their housing and small business lending programs. The grants were announced in late September.

GROW SD Supports Arts in Sisseton

In 2016, GROW SD received a grant from the Rural LISC (Local Initiatives Support Corporation) to support beautifying downtown Sisseton through an arts project. The funding will support an Artist-in-Community who will work with residents to develop artworks on Veterans Avenue.

The organizations received a combined \$1.8 million in CDFI grants to support housing and business lending. GROW SD will receive \$1 million, and NESDEC will receive \$842,584.

Another grant added a soaring bald eagle to the wall of the former Boys and Girls Club building, which GROW SD owns. The Sisseton Economic Development Corporation provided the grant to upgrade the building façade. GROW SD engaged Sisseton Middle School visual arts teacher Alexis Monroe and

GROW SD received a \$500,000 grant from the CDFI Fund’s CMF, which focuses on affordable housing. GROW SD will use the funds to provide down payment assistance in the form of deferred second mortgages to borrowers with low to moderate income, with 70% of the funds earmarked for people at or below 80% of the average median income.

GROW South Dakota: A 50 Year Snapshot

Over \$63.1 million invested in single and multi-family housing development.

- 8,829 households have received home repairs.
- 10,669 households have received financial and homebuyer education.

Over \$44 million invested in community growth.

- 60 development corporations have received loans to create local housing.
- 137 lots have been developed for new housing construction.

Over \$64.4 million invested in small businesses across the state.

- 1,950 small business loans have been made to new and existing businesses.
- 11,479 jobs have been created or maintained through the business lending program.

GET IN TOUCH WITH US



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