

# OCTOBER 2016 TO SEPTEMBER 2017 REDCO ANNUAL REPORT CONTENTS

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# WHO WE ARE

### Our Mission

Our mission is to foster and promote economic development for the Sicangu Lakota Oyate. We embody community spirit in developing our economy by generating revenue and investing in self-sufficiency for the people.

### Our Values

**SUSTAINABILITY:** Thinking of the 7th Generation and creating a self-sufficient environment. Moving away from dependence to uphold our sovereignty.

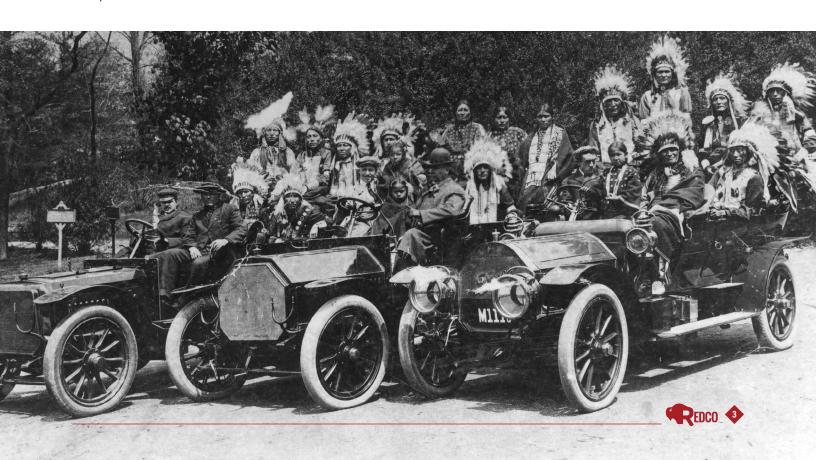
**HONESTY, TRANSPARENCY:** Accountable to the community and transparent in our communication in the pursuit of excellence.

**PROFESSIONALISM:** Being prepared for any situation at any time. Modeling behavior of character and spirit.

**DEDICATION:** Wholly committed to mission and purpose.

**INNOVATION:** Developing new, creative ideas and methods, solutions, and ways of thinking in the creation of our products and service offerings.

**TEAMWORK:** The combined action of supporting our team. Work effectively and efficiently together in the pursuit of excellence.





# LETTER TO THE OYATE

At REDCO, we believe in living our values to make a better world for our people. Values like sustainability, professionalism, dedication, innovation, and teamwork guide our work as we run businesses, increase profit, and make meaningful community impacts.

I'm excited to present REDCO's 2017 Annual Report. It was another record-breaking year of accomplishment on our journey toward native nation economic self-sufficiency. When REDCO started rebuilding 5 years ago, one of the identified goals was to develop and create an annual report so our shareholders (all 34,000 citizens of the Sicangu Lakota Oyate) would know what is being done about economic development. Indeed, wowicake (honesty/transparency) is one of REDCO's core values. It is also important to mark down and remember the past. Our ancestors wrote winter counts to remember their stories. This is REDCO's story for the year.

REDCO continues to rise to new heights and do things never done here before. We set an annual revenue record of over \$13.5 million and profits of nearly \$500,000. The organization grew from 18 employees to 33, representing our commitment to not only creating new jobs, but providing high quality, good paying jobs with solid benefits. As the organization grows, leadership has made an investment in creating a strong work culture through employee social emotional intelligence training. We don't want to just be a good organization. We want to be great.

During the past year, business offerings have expanded across the board. One highlight has been the growth and expansion of Rosebud Construction. Their first project was a \$5.3 million construction project to build an apartment complex for Indian Health Service staffing quarters. Through our dedication to economic development, we get to help improve healthcare for our people. Our construction group's obligation to creating jobs, safety, quality, and delivering on time and within budget is much needed for our native nation.

REDCO's commitment to community continues to grow deeper. Keya Wakpala, Community Food Sovereignty Initiative, and Tatanka Fund all made significant impacts to the community. One important accomplishment was Keya Wakpala's growing capacity. We are well on our way to building a 22nd Century Lakota community where people can live, work, play, grow healthy foods, a family, and future.

The impossible is possible. I cannot tell how many times people have told me something can't be done, and we just go out and do it. Our vision of a sustainable Lakota economy where everyone prospers is happening.

Wizipan Little Elk, CEO



# SICANGU LAKOTA OYATE

Located in what is now known as South Central South Dakota, the Rosebud Indian Reservation is home to approximately 34,000 members of the Sicangu Lakota Oyate ("Burnt Thigh Nation"), also known as the Rosebud Sioux Tribe.

The Rosebud Sioux Tribe is comprised of three branches: executive, legislative, and judicial. The Executive is made up of an independently elected President, Vice President, Treasurer, and Secretary with each serving 2-year terms. The legislative body of the Tribe, or tribal council, is comprised of 20 council representatives, representing each of the 20 communities of the Tribe. Council members serve three year terms and are elected at large by enrolled tribal members living on the reservation. The President serves as the Chairman of the tribal council and each executive serves as an officer of the council.

# Tribal council is empowered through the Constitution to:

- Negotiate with federal, state, and local authorities on matters concerning the Tribe
- Acquire land and property for use by the Tribe
- Advise the United States Secretary of the Interior on Congressional matters and budgets affecting the Tribe

- · Levy taxes and conduct trade
- Pass and enforce laws for public safety
- Foster cultural celebration and preservation of the Sicangu Lakota Oyate

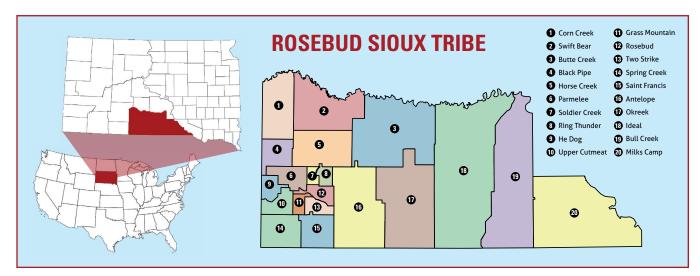
In 1999, the Rosebud Sioux Tribal Government created REDCO to serve as the official economic arm of the tribe. Endowed with constitutionally delegated powers, REDCO's purpose is to generate revenue and create economic opportunity for the Sicangu Lakota Oyate and surrounding communities.

#### **Tribal Flag**

- Twenty red roses represent the twenty communities on Rosebud
- Three-layered multi-color diamond at the center signifies the reservation itself
- The feathers signify achievement of goals
- Peace pipe symbolizes peaceful relations between the Tribe and the United States



The Rosebud Sioux Tribe Flag



# **BOARD OF DIRECTORS**

REDCO's Board of Directors consists of six innovative and dedicated leaders, committed to fostering economic development and investing in self-sufficiency for the Sicangu Lakota Oyate. The REDCO board consists equally of: Wayne Boyd | Chairman; Rodney Bordeaux | Vice Chairman; Vernon "Ike" Schmidt | Treasurer and Secretary; Nora Antoine | Board Member; Michael Boltz | Board Member; Oliver Semans, Sr. | Board Member

Board seats are comprised of standing chairpersons of the Rosebud Sioux Tribe Economic Development Committee and Budget and Finance Committee and five at large positions. The at large positions are seated by the Rosebud Sioux Tribal Council and comprised of individuals with significant business and leadership experience.



WAYNE BOYD | CHAIRMAN OF THE BOARD







**VERNON "IKE" SCHMIDT | TREASURER AND SECRETARY** 







MICHAEL BOLTZ | BOARD MEMBER

**OLIVER SEMANS, SR. | BOARD MEMBER** 





**OPEN BOARD POSITION** 

# LETTER FROM THE CHAIRMAN OF THE BOARD

This was a year of tremendous growth for REDCO. We began focusing on larger businesses, which allow us to make more of a direct impact for the Rosebud Sioux Tribe. REDCO's mission states that we will promote economic development and self-sufficiency for the Sicangu Lakota Oyate. Two ways we accomplish this are through creating jobs and generating revenue. Our business division remains committed to these two tasks.

Local businesses serve the community and provide opportunities for employees to become part of the organization and gain leadership skills. Businesses that work both on and off the reservation, such as Rosebud Construction and Rosebud Electronic Integration, remain committed to generating revenue and delivering quality products and services, on time and within budget.

One of our businesses, Rosebud Construction, had a remarkable year of growth. Because of Rosebud Construction's expansion, REDCO saw increases in revenue and nearly doubled the number of employees. We are well on our way to becoming the most impactful organization in the Rosebud Sioux Tribe.

In addition to creating revenue and generating profit, REDCO remains committed to serving the community. REDCO's community development projects continued to develop and expand this year. Tatanka Fund made progress toward launching as a Native Community Development Financial Institution through collaboration with partner organizations and holding classes on financial literacy. Keya Wakpala, REDCO's affordable housing initiative, continued to advance towards the creation of a 22nd century community, providing local solutions to global problems.

REDCO's vision is firmly set in helping develop a selfsufficient Native nation. I am proud to be part of REDCO and look forward to the future.

Sincerely, Wayne Boyd



# REDCO ORGANIZATIONAL CHART



### ROSEBUD SIOUX TRIBE

WAYNE BOYD | CHAIRMAN OF THE BOARD
RODNEY BORDEAUX | VICE CHAIRMAN
VERNON "IKE" SCHMIDT | TREASURER AND SECRETARY
NORA ANTOINE | BOARD MEMBER
MICHAEL BOLTZ | BOARD MEMBER
OLIVER SEMANS, SR. | BOARD MEMBER

#### **BUSINESS DIVISIONS**

Government Contracting Local Markets Construction Real Estate

#### **COMMUNITY DEVELOPMENT**

Keya Wakpala Waiçegeyapi Community Food Sovereignty Initiative Tatanka Fund

#### **ECONOMIC POLICY**

Federal Tribal

# EMPLOYEE DEMOGRAPHICS

21
WOMEN

12
MEN

NUMBER OF EMPLOYEES WITH DEGREES

TRIBAL ENROLLED

CONSERUD ENROLLED



# BUSINESS DEVELOPMENT HIGHLIGHTS

REDCO operates 14 subsidiary businesses, doing business in 23 states. Business sectors include manufacturing, procurement, construction, and local markets.

REDCO's business activities broke previous revenue and profit records this year and the corporation intends to build upon these successes.

#### **GOVERNMENT CONTRACT WORK**

The REDCO Manufacturing Group is comprised of triballyowned, HUBZone and 8(a) certified businesses providing turn-key solutions to both government agencies and commercial companies.

# Past performance of Rosebud Electronic Integration includes work with:















#### A Spotlight on 2017 Performance

Rosebud Electronic Integration Corporation (REI) received a 5-year IDIQ contract with the Department of Defense – Redstone Arsenal Defense Logistics Agency to assemble helicopter seat pallets. The first 70-seat pallets were delivered in July, which generated more than \$2,500,000 in gross revenue.

#### The Product and Its Importance

These bulletproof pallets are situated under the seats offering protection from munition ground fire to military personnel during flight operations. The Rosebud Sioux Tribe has a storied history of military service and the government contracting group was proud to manufacture products protecting military personnel.



Five-Passenger Seating with Pallet Underneath



Concrete floor pour at IHS apartment project.

#### SUPPLY & PROCUREMENT

The REDCO Supply & Procurement Group serves both government and business, offering a full range of office products, office furniture, technology, and specialty products.

Rosebud Office Solutions achieved a number of accomplishments in 2017. The team was especially proud to furnish the Rosebud Sioux Tribal Council Chambers, the Tribe's official seat of government, as well as expanding the overall business to include non-office supply services.

#### **Furnishing the Tribal Council Chambers**

- Furnished the new Rosebud Sioux Tribe council chambers for the 20 council representatives, 5 executive officers, and Sergeant at Arms.
- The council chamber tables are located in a brick building with a concrete subfloor and required electrical outlets.
   This presented an unusual installation challenge which Rosebud Office Solutions ultimately solved.
- Provided a custom embroidered table skirt and audience seating for Council meeting attendees.



Rosebud Office Solutions provided several improvements to the Rosebud Sioux Tribe Council Chambers.

#### **Expanding into the Non-Office Supply Sector**

- Provided the Rosebud Sioux Tribe Police Department with uniforms, badges, in-vehicle K9 cages, and gun racks.
- Additionally, delivered new gym equipment and flooring to the Rosebud Sioux Tribe Juvenile Detention Center.

#### ROSEBUD CONSTRUCTION

The Rosebud Construction Group takes pride in its commitment to safety, quality, and being on time and within budget. The company provides commercial and industrial construction, as well as construction management services for clients throughout the United States.

Rosebud Construction Group fulfills an important social function for the tribal citizens. Its job training program is designed to provide local employment while providing training and advancement opportunities for employees. This year the company won an Indian Health Services contract valued at over \$5 million to build a 19 unit apartment complex for IHS employees.

#### Indian Health Services Apartments in Rosebud, SD

- Contract Value: \$5,300,000
- Rosebud Construction is the primary contractor for this project and provides construction management services.
- The 19 unit apartment complex is on track to be complete in August 2018.

#### **New General Manager for Rosebud Construction**

- Developed job costing and management procedures.
- · Oversaw construction bonding process.





Two Sicangu Propane trucks ready for their daily deliveries.

#### **SICANGU PROPANE**

Sicangu Propane serves Rosebud and surrounding communities, supplying families with their heating needs. One of the key features of the business is its commitment to community. Sicangu Propane prides itself on keeping propane prices low, keeping minimum order requirements below the competition, providing free leak checks, and delivering when no one else will. As sales increased this year, so too did organizational capacity and community partnerships.

#### Increase in Sales

- FY 2016: 306,455 gallons
- FY 2017: 382,732.17 gallons
- Established new residential, commercial, and governmental customers.



The Sicangu Propane team, from left to right: (Justin Moreno, Elizabeth Bear Shield, Travis Eagle Deer).

#### **Increase in Capacity**

- Relocated to a more centralized office to better serve customers.
- Improved services offered to include liquid propane line installs, tank repairs, and tank delivery services.

#### **Strengthened Partnerships**

 Collaborated with local programs, such as Sicangu Nation Employee Training Program, to provide office personnel, drivers and training.





# COMMUNITY DEVELOPMENT HIGHLIGHTS

REDCO is committed to improving the lives of Sicangu citizens through local projects and programming. Community development activities focus on three interrelated initiatives. Projects include an emerging Community Development Financial Institution, an affordable housing development plan, and a food sovereignty initiative.

#### Tatanka Fund

REDCO serves as the sponsoring entity for the Tatanka Fund, an emerging Native Community Development Financial Institution (NCDFI). Native CDFIs provide technical assistance and coaching for businesses and prospective homeowners on the Rosebud Reservation.

### Still in the early stages of development, Tatanka Fund focuses on:

- Technical Assistance
- Financial Literacy Classes
- Partnerships with other organizations to offer loans

#### By the Numbers:

- 8 partnership organizations
- 32 Individual business counseling sessions
- 175 Individuals Trained in Financial Literacy

#### Keya Wakpala Waiçegeyapi

The Keya Wakpala Waiçegeyapi (Turtle Creek Development) goal is to improve economic stability and cultural vitality by building local infrastructure and improving the overall quality of life on the Rosebud Sioux Reservation.

Upon build-out, the Keya Wakpala development will be an example of a 22nd century Lakota community, providing local solutions to global problems, while promoting health, wellness, and sustainable living.

This year was a pivotal year for Keya Wakpala, as the project brought on a new manager and continued to win grant money.

#### A SNAPSHOT OF THE YEAR:

#### **Hired a Community Development Coordinator**

- Serves as project manager for the Keya Wakpala Waiçegeyapi.
- Facilitates, promotes, and negotiates community planning and development projects.
- Identifies, secures, and coordinates resources necessary to implement community development programs and makes recommendations on potential funding opportunities.

#### **NABDI Grant**

- Awarded the Native American Business Development Institute (NABDI) grant to conduct a feasibility study from the U.S. Department of the Interior - Indian Affairs Office, Indian Energy and Economic Development.
  - \* The purpose of the feasibility study is to identify the best mix of business and retail tenants to be located at the Keya Wakpala Development

**Preliminary Engineering Report (PER)-** Completed and submitted to IHS & USDA for final review and comment.

# COMMUNITY FOOD SOVEREIGNTY INITIATIVE

Food plays an important role in nation-building efforts through Native communities. Traditional foods and native-controlled food systems are cornerstones of a strong economy and develop self-sufficiency, sustainability, and promote the health of the mind, body, and spirit.



### Community Food Sovereignty Initiative is comprised of 4 programs:

- Keya Wakpala Community Garden
- Keya Wakpala Farmers' Market
- Traditional Foods
- Food Sovereignty Coalition

The Keya Wakpala Community Garden had a banner year, successfully harvesting over 2,000 pounds of produce and hosting 14 summer interns.

Keya Wakpala Farmers' Market continues to be Rosebud's only farmers' market and is a hub for local vendors to sell produce, meat, and crafts.

Partnerships with local organizations allow youth to learn about traditional foods. This year, the program conducted buffalo harvests with Todd County Middle School and Boys with Braids. Additionally, the CFSI hosted summer wild food harvesting and cooking sessions with the Boys and Girls Club.

Established the Food Sovereignty Coalition, a grassroots organization consisting of community members interested in creating a local foods system in Rosebud.



# **POLICY HIGHLIGHTS**

#### **Economic Development Administration**

REDCO provides policy development and analysis for the Tribe, including the development of local laws and monitoring national policies.

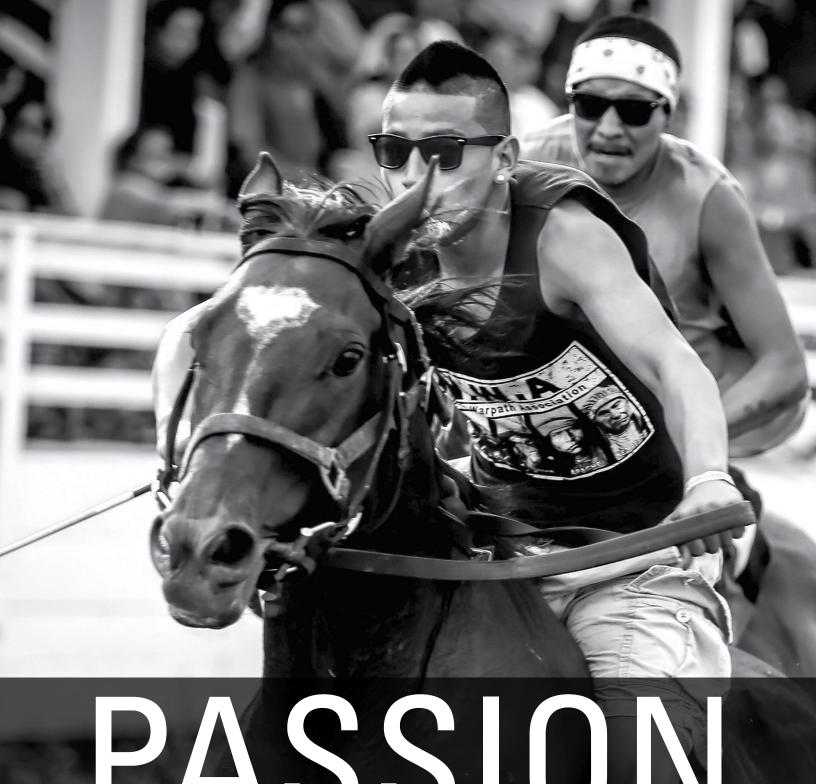
This year, the Economic Development Administration continued work updating the Uniform Commercial Code through researching other tribal UCC codes.

Partnership with the South Dakota Native Homeowners Coalition allows REDCO to directly influence decisions made with Tribal veteran homeownership. The department also administered a reservation-wide survey on economic development, with a total of 160 participants.

#### **Certifications Obtained**

- Credit When Credit is Due
- Consumer Credit Counseling of the Black Hills Certification
- Native Homebuyer Certification, The National American Indian Housing Council
- South Dakota Homebuyer Certification





# PASSION





# LETTER FROM THE CHIEF FINANCIAL OFFICER

Greetings everyone!

In fiscal year 2017, REDCO and its subsidiaries continued to see growth in revenue. REDCO achieved a record operating revenue of \$13,525,660 and a net profit of \$447,382.

Operating revenue increased by \$6,149,177, or 183%!

The increase in operating revenue is primarily due to increased production from Rosebud Electronic Integration and Rosebud Lending, with operating revenues of \$8,103,625 and \$1,864,269 respectively. These are increases of \$5,657,088 and \$763,712 from fiscal year 2016.

REDCO's net worth increased by \$4,282,790. This was largely due to real estate assets being added to our balance sheet. The increase from operating profits was \$529,651.

We are continually looking for new opportunities and also to improve our current operations. To improve operations, we invested in a new accounting system, a new payroll system, and will be investing in new IT systems as well. These will allow REDCO to manage our systems and employees as we continue to grow.

With these investments, REDCO is well positioned to continue our growth in all areas, especially government contracting and construction.

I look forward to 2018 and all the opportunities that are before us!

Sincerely,

Clay Colombe Chief Financial Officer





# STATEMENT OF ON SEPTMEMBER 30, 2017 NET POSITION

REDCO Admin   Turtle Creek   Integration   Lending   Non-Major   Total Non-Major   Total Non-Major   Total Non-Major   Total Non-Major   Total Non-Major   Non-M			•	Rosebud Electric	Rosebud	Other		
Current assets:   Cash and cash equivalents   S		REDCO Admin	Turtle Creek				Total	
Cash and cash equivalents         \$ 199,532         \$ 31         \$ 41,484         \$ 289,736         \$ 201,811         \$ 732,594           Certificates of deposit         49,468         -         -         -         -         -         49,468           Receivables, net         388,932         5,234         8,226         133,486         105,760         641,638           Inventory         343         404         -         -         -         133,482         134,229           Prepaid expenses         52,250         -         -         400         39,040         91,690           Non-current assets         -         -         -         40,003         39,040         91,690           Non-current assets         -         -         -         40,710         423,622         480,093         1,649,619           Non-current assets         -         -         -         -         -         34,141         1,625,377           Construction in progress         256,406         -         -         -         55,894         -         312,300           Property and equipment (net of depreciation)         1,656,317         3,815,490         -         26,644         703,717         6,202,168 <t< td=""><td>ASSETS</td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	ASSETS							
Certificates of deposit   49,488   -	Current assets:							
Receivables, net	Cash and cash equivalents	\$ 199,532	\$ 31	\$ 41,484	\$ 289,736	\$ 201,811	\$ 732,594	
Inventory   343   404   -	A CONTRACTOR CONTRACTO	-	,	-	-	-	,	
Prepaid expenses   52,250   -   -   400   39,040   91,690   1,649,619   1,649,619   1,649,619   1,649,619   1,649,619   1,625,377   1,62				8,226	133,486	(5)		
Total current assets   641,057   55,137   49,710   423,622   480,093   1,649,619			404	-	-			
Non-current assets:   Land	Prepaid expenses	52,250			400	39,040	91,690	
Land         1,591,236         -         -         34,141         1,625,377           Construction in progress         256,406         -         55,894         -         312,300           Property and equipment (net of depreciation)         1,656,317         3,815,490         -         26,644         703,717         6,202,168           Total non-current assets         3,503,959         3,815,490         -         82,538         737,858         8,139,845           Total assets         4,145,016         3,870,627         49,710         506,160         1,217,951         9,789,464           LIABILITIES AND NET POSITION           Current liabilities:           Accounts payable         399,846         63,305         10,573         181,485         257,980         913,189           Accrued expenses         65,046         -         -         10,035         14,453         89,534           Accrued interest         -         955         -         -         -         955           Unearned revenue         160,834         -         -         -         79,843         240,677           Line of credit         -         -         -         -         -         955         -	Total current assets	641,057	55,137	49,710	423,622	480,093	1,649,619	
Construction in progress Property and equipment (net of depreciation)         256,406         -         55,894         -         312,300           Property and equipment (net of depreciation)         1,656,317         3,815,490         -         26,644         703,717         6,202,168           Total non-current assets         3,503,959         3,815,490         -         82,538         737,858         8,139,845           Total assets         4,145,016         3,870,627         49,710         506,160         1,217,951         9,789,464           LIABILITIES AND NET POSITION         Current liabilities:           Accounts payable         399,846         63,305         10,573         181,485         257,980         913,189           Accrued expenses         65,046         -         -         10,035         14,453         89,534           Accrued interest         -         955         -         -         -         955           Une of credit         -         -         -         -         79,843         240,677           Line of credit         -         -         -         -         291,200         291,200           Note payable - current portion         723,004         116,098         -         -         <	Non-current assets:							
Property and equipment (net of depreciation) 1,656,317 3,815,490 - 26,644 703,717 6,202,168  Total non-current assets 3,503,959 3,815,490 - 82,538 737,858 8,139,845  Total assets 4,145,016 3,870,627 49,710 506,160 1,217,951 9,789,464  LIABILITIES AND NET POSITION  Current liabilities:  Accounts payable 399,846 63,305 10,573 181,485 257,980 913,189  Accrued expenses 65,046 - 10,035 14,453 89,534  Accrued interest - 955 - 7, 9843 240,677  Line of credit - 7, 955 - 7, 9843 240,677  Line of credit - 7, 95,004 116,098 - 7, 98,43 240,677  Line of credit - 7, 95,004 116,098 - 7, 98,43 240,677  Total current liabilities:  Non-current liabilities  Non-current liabilities:  Note payable - non-current portion - 2,894,697 - 5,986 6,945 27,135  Total non-current liabilities  Note payable - non-current portion - 2,894,697 - 5,2894,697  Total liabilities 1,362,934 3,075,055 10,573 197,506 650,421 5,296,489  Net position (deficit):  Net investment in capital assets 2,780,955 804,695 - 82,538 737,858 4,406,046 Unrestricted 1,127 (9,123) 39,137 226,116 (170,328) 86,929	Land	1,591,236	-	-	-	34,141	1,625,377	
depreciation)         1,656,317         3,815,490         - 26,644         703,717         6,202,168           Total non-current assets         3,503,959         3,815,490         - 82,538         737,858         8,139,845           Total assets         4,145,016         3,870,627         49,710         506,160         1,217,951         9,789,464           LIABILITIES AND NET POSITION           Current liabilities:           Accounts payable         399,846         63,305         10,573         181,485         257,980         913,189           Accrued expenses         65,046         -         -         10,035         14,453         89,534           Accrued interest         -         955         -         -         955           Unearned revenue         160,834         -         -         -         79,843         240,677           Line of credit         -         -         -         -         -         79,843         240,677           Line of credit         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         - </td <td></td> <td>256,406</td> <td>-</td> <td>-</td> <td>55,894</td> <td>-</td> <td>312,300</td>		256,406	-	-	55,894	-	312,300	
Total non-current assets         3,503,959         3,815,490         -         82,538         737,858         8,139,845           Total assets         4,145,016         3,870,627         49,710         506,160         1,217,951         9,789,464           LIABILITIES AND NET POSITION         Current liabilities:           Accounts payable         399,846         63,305         10,573         181,485         257,980         913,189           Accrued expenses         65,046         -         -         10,035         14,453         89,534           Accrued interest         -         955         -         -         -         955           Unearned revenue         160,834         -         -         -         79,843         240,677           Line of credit         -         -         -         -         291,200         291,200           Note payable - current portion         723,004         116,098         -         -         5,986         6,945         27,135           Total current liabilities         1,362,934         180,358         10,573         197,506         650,421         2,401,792           Non-current liabilities         -         2,894,697         -         -         -								
Total assets         4,145,016         3,870,627         49,710         506,160         1,217,951         9,789,464           LIABILITIES AND NET POSITION           Current liabilities:         Accounts payable         399,846         63,305         10,573         181,485         257,980         913,189           Accrued expenses         65,046         -         -         10,035         14,453         89,534           Accrued interest         -         955         -         -         -         955           Unearned revenue         160,834         -         -         -         79,843         240,677           Line of credit         -         -         -         -         291,200         291,200           Note payable - current portion         723,004         116,098         -         -         -         291,200         291,200           Accrued compensated absences         14,204         -         -         5,986         6,945         27,135           Total current liabilities         1,362,934         180,358         10,573         197,506         650,421         2,401,792           Non-current liabilities         -         2,894,697         -         -         -         2,	depreciation)	1,656,317	3,815,490		26,644	703,717	6,202,168	
LIABILITIES AND NET POSITION           Current liabilities:           Accounts payable         399,846         63,305         10,573         181,485         257,980         913,189           Accrued expenses         65,046         -         -         10,035         14,453         89,534           Accrued interest         -         955         -         -         -         955           Unearned revenue         160,834         -         -         -         79,843         240,677           Line of credit         -         -         -         -         291,200         291,200           Note payable - current portion         723,004         116,098         -         -         -         839,102           Accrued compensated absences         14,204         -         -         5,986         6,945         27,135           Total current liabilities         1,362,934         180,358         10,573         197,506         650,421         2,401,792           Non-current liabilities         -         2,894,697         -         -         -         2,894,697           Total non-current liabilities         -         2,894,697         -         -         -         2,894,	Total non-current assets	3,503,959	3,815,490		82,538	737,858	8,139,845	
Current liabilities:         Accounts payable         399,846         63,305         10,573         181,485         257,980         913,189           Accrued expenses         65,046         -         -         10,035         14,453         89,534           Accrued interest         -         955         -         -         -         955           Unearned revenue         160,834         -         -         -         79,843         240,677           Line of credit         -         -         -         -         291,200         291,200           Note payable - current portion         723,004         116,098         -         -         291,200         291,200           Accrued compensated absences         14,204         -         -         5,986         6,945         27,135           Total current liabilities         1,362,934         180,358         10,573         197,506         650,421         2,401,792           Note payable - non-current portion         -         2,894,697         -         -         -         2,894,697           Total inon-current liabilities         -         2,894,697         -         -         -         2,894,697           Total liabilities         1,362,934	Total assets	4,145,016	3,870,627	49,710	506,160	1,217,951	9,789,464	
Accounts payable         399,846         63,305         10,573         181,485         257,980         913,189           Accrued expenses         65,046         -         -         10,035         14,453         89,534           Accrued interest         -         955         -         -         -         955           Unearned revenue         160,834         -         -         -         79,843         240,677           Line of credit         -         -         -         -         291,200         291,200           Note payable - current portion         723,004         116,098         -         -         -         839,102           Accrued compensated absences         14,204         -         -         5,986         6,945         27,135           Total current liabilities         1,362,934         180,358         10,573         197,506         650,421         2,401,792           Non-current liabilities         -         2,894,697         -         -         -         2,894,697           Total non-current liabilities         1,362,934         3,075,055         10,573         197,506         650,421         5,296,489           Net position (defficit):         2,780,955         804,695	LIABILITIES AND NET POSITION							
Accrued expenses         65,046         -         -         10,035         14,453         89,534           Accrued interest         -         955         -         -         955           Unearned revenue         160,834         -         -         -         79,843         240,677           Line of credit         -         -         -         -         291,200         291,200           Note payable - current portion         723,004         116,098         -         -         -         839,102           Accrued compensated absences         14,204         -         -         5,986         6,945         27,135           Total current liabilities         1,362,934         180,358         10,573         197,506         650,421         2,401,792           Non-current liabilities:         -         2,894,697         -         -         -         2,894,697           Total non-current liabilities         -         2,894,697         -         -         -         2,894,697           Total liabilities         1,362,934         3,075,055         10,573         197,506         650,421         5,296,489           Net position (deficit):         -         2,894,695         -         82,538 <td>Current liabilities:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Current liabilities:							
Accrued interest         -         955         -         -         -         955           Unearned revenue         160,834         -         -         -         79,843         240,677           Line of credit         -         -         -         -         291,200         291,200           Note payable - current portion         723,004         116,098         -         -         -         839,102           Accrued compensated absences         14,204         -         -         5,986         6,945         27,135           Total current liabilities         1,362,934         180,358         10,573         197,506         650,421         2,401,792           Non-current liabilities:         -         2,894,697         -         -         -         2,894,697           Total non-current liabilities         -         2,894,697         -         -         -         2,894,697           Total liabilities         1,362,934         3,075,055         10,573         197,506         650,421         5,296,489           Net position (deficit):         -         2,894,697         -         -         82,538         737,858         4,406,046           Unrestricted         1,127         (9,123) <td>Accounts payable</td> <td>399,846</td> <td>63,305</td> <td>10,573</td> <td>181,485</td> <td>257,980</td> <td>913,189</td>	Accounts payable	399,846	63,305	10,573	181,485	257,980	913,189	
Unearned revenue         160,834         -         -         -         79,843         240,677           Line of credit         -         -         -         -         291,200         291,200           Note payable - current portion         723,004         116,098         -         -         -         839,102           Accrued compensated absences         14,204         -         -         5,986         6,945         27,135           Total current liabilities         1,362,934         180,358         10,573         197,506         650,421         2,401,792           Non-current liabilities:         -         2,894,697         -         -         -         2,894,697           Total non-current liabilities         -         2,894,697         -         -         -         2,894,697           Total liabilities         1,362,934         3,075,055         10,573         197,506         650,421         5,296,489           Net position (deficit):         -         2,780,955         804,695         -         82,538         737,858         4,406,046           Unrestricted         1,127         (9,123)         39,137         226,116         (170,328)         86,929	5 Company of the Comp	65,046	-	-	10,035	14,453	,	
Line of credit         -         -         -         -         291,200         291,200           Note payable - current portion         723,004         116,098         -         -         -         839,102           Accrued compensated absences         14,204         -         -         5,986         6,945         27,135           Total current liabilities         1,362,934         180,358         10,573         197,506         650,421         2,401,792           Non-current liabilities:         -         2,894,697         -         -         -         2,894,697           Total non-current liabilities         -         2,894,697         -         -         -         2,894,697           Total liabilities         1,362,934         3,075,055         10,573         197,506         650,421         5,296,489           Net position (deficit):         -         2,894,695         -         82,538         737,858         4,406,046           Unrestricted         1,127         (9,123)         39,137         226,116         (170,328)         86,929		=	955	-	-	-		
Note payable - current portion         723,004         116,098         -         -         -         839,102           Accrued compensated absences         14,204         -         -         5,986         6,945         27,135           Total current liabilities         1,362,934         180,358         10,573         197,506         650,421         2,401,792           Non-current liabilities:         -         2,894,697         -         -         -         2,894,697           Total non-current liabilities         -         2,894,697         -         -         -         2,894,697           Total liabilities         1,362,934         3,075,055         10,573         197,506         650,421         5,296,489           Net position (deficit):         -         804,695         -         82,538         737,858         4,406,046           Unrestricted         1,127         (9,123)         39,137         226,116         (170,328)         86,929		160,834	-	-	-	,	,	
Accrued compensated absences         14,204         -         -         5,986         6,945         27,135           Total current liabilities         1,362,934         180,358         10,573         197,506         650,421         2,401,792           Non-current liabilities:         -         2,894,697         -         -         -         2,894,697           Total non-current liabilities         -         2,894,697         -         -         -         2,894,697           Total liabilities         1,362,934         3,075,055         10,573         197,506         650,421         5,296,489           Net position (deficit):         -         82,538         737,858         4,406,046           Unrestricted         1,127         (9,123)         39,137         226,116         (170,328)         86,929		-	-	-	-	291,200	,	
Total current liabilities         1,362,934         180,358         10,573         197,506         650,421         2,401,792           Non-current liabilities:         Note payable - non-current portion         -         2,894,697         -         -         -         2,894,697           Total non-current liabilities         -         2,894,697         -         -         -         2,894,697           Total liabilities         1,362,934         3,075,055         10,573         197,506         650,421         5,296,489           Net position (deficit):         Net investment in capital assets         2,780,955         804,695         -         82,538         737,858         4,406,046           Unrestricted         1,127         (9,123)         39,137         226,116         (170,328)         86,929			116,098	-	-	-		
Non-current liabilities:         Note payable - non-current portion         -         2,894,697         -         -         -         2,894,697           Total non-current liabilities         -         2,894,697         -         -         -         2,894,697           Total liabilities         1,362,934         3,075,055         10,573         197,506         650,421         5,296,489           Net position (deficit):         .         .         82,538         737,858         4,406,046           Unrestricted         1,127         (9,123)         39,137         226,116         (170,328)         86,929	Accrued compensated absences	14,204			5,986	6,945	27,135	
Note payable - non-current portion         -         2,894,697         -         -         -         2,894,697           Total non-current liabilities         -         2,894,697         -         -         -         2,894,697           Total liabilities         1,362,934         3,075,055         10,573         197,506         650,421         5,296,489           Net position (deficit):         .         .         82,538         737,858         4,406,046           Unrestricted         1,127         (9,123)         39,137         226,116         (170,328)         86,929	Total current liabilities	1,362,934	180,358	10,573	197,506	650,421	2,401,792	
Total non-current liabilities         -         2,894,697         -         -         -         2,894,697           Total liabilities         1,362,934         3,075,055         10,573         197,506         650,421         5,296,489           Net position (deficit):         Net investment in capital assets         2,780,955         804,695         -         82,538         737,858         4,406,046           Unrestricted         1,127         (9,123)         39,137         226,116         (170,328)         86,929	Non-current liabilities:							
Total liabilities         1,362,934         3,075,055         10,573         197,506         650,421         5,296,489           Net position (deficit):         Net investment in capital assets         2,780,955         804,695         -         82,538         737,858         4,406,046           Unrestricted         1,127         (9,123)         39,137         226,116         (170,328)         86,929	Note payable - non-current portion		2,894,697				2,894,697	
Net position (deficit):       Net investment in capital assets       2,780,955       804,695       -       82,538       737,858       4,406,046         Unrestricted       1,127       (9,123)       39,137       226,116       (170,328)       86,929	Total non-current liabilities		2,894,697				2,894,697	
Net investment in capital assets         2,780,955         804,695         -         82,538         737,858         4,406,046           Unrestricted         1,127         (9,123)         39,137         226,116         (170,328)         86,929	Total liabilities	1,362,934	3,075,055	10,573	197,506	650,421	5,296,489	
Net investment in capital assets         2,780,955         804,695         -         82,538         737,858         4,406,046           Unrestricted         1,127         (9,123)         39,137         226,116         (170,328)         86,929	Net position (deficit):							
Unrestricted 1,127 (9,123) 39,137 226,116 (170,328) 86,929		2,780,955	804,695	-	82,538	737,858	4,406,046	
Total net position \$ 2,782,082 \$ 795,572 \$ 39,137 \$ 308,654 \$ 567,530 \$ 4,492,975	•			39,137		,		
	Total net position	\$ 2,782,082	\$ 795,572	\$ 39,137	\$ 308,654	\$ 567,530	\$ 4,492,975	

# TRANSPARENCY



# STATEMENT OF ACTIVITIES

#### ON SEPTMEMBER 30, 2017

	DE	OCO Admin	Turtle Creek	Rosebud Electric	Rosebud	Other	Total
Operating revenues:	-	JCO Admini	Tuttle Cleek	Integration	Lending	Non-Major	
Sales income	\$	_	\$ 684	\$ 8,102,878	\$ -	\$ 1,139,983	\$ 9,243,545
Service revenue	•	_	-	747	1,676,769	18,333	1,695,849
Land lease and crop share		126,217	_		-	-	126,217
Rental income		55,668	103,953	_	_	6,516	166,137
Management fee income		1,015,250	-	-	-	-	1,015,250
Construction income		820,846	-	1-		_	820,846
Casino contributions		-	174,181	-	_	-	174,181
Other income		59,171	2,939		187,500	34,025	283,635
Total operating revenues		2,077,152	281,757	8,103,625	1,864,269	1,198,857	13,525,660
Operating expenses:							
Cost of sales and service		667,812	-	7,785,878	_	786,588	9,240,278
Grant expenses		8,436	-	-	-	-	8,436
Bad debt expense		2,520	-	-	-	_	2,520
Payroll and benefits		595,576	-	32,128	172,561	289,985	1,090,250
Professional fees		207,538	_	58,601		55,136	321,275
Utilities		57,061	5,668		4,521	13,752	81,002
Supplies		46,505	-	-	-	16,591	63,096
Travel and training		72,931	-	5,513	68,635	6,972	154,051
Depreciation		58,900	1,751		224	118,386	179,261
Management fee		-	-	165	936,933	78,152	1,015,250
Lease and rental		-	-	·= :	26,381	12,252	38,633
Other operating expenses		193,616	19,916	59,950	414,513	196,231	884,226
Total operating expenditures		1,910,895	27,335	7,942,235	1,623,768	1,574,045	13,078,278
Operating income (loss)		166,257	254,422	161,390	240,501	(375,188)	447,382
Non-operating revenues (expenses)							
Interest income		9	-	-	4-8	1,098	1,107
Grant revenue		570,241	=	-	-	82,842	653,083
REDCO profit share		-	-	(375,512)	-	-	(375,512)
Capital contribution from Tribe		(0.050)	3,753,139	-	(404)	- (40 747)	3,753,139
Interest expense		(6,952)	(176,804)	·	(101)	(13,747)	(197,604)
Total non-operating revenues (expenses)		563,298	3,576,335	(375,512)	(101)	70,193	3,834,213
Income (loss) before transfers		729,555	3,830,757	(214,122)	240,400	(304,995)	4,281,595
Transfers in (out)		(394,481)	243,435	(23,425)	9,996	164,475	
Increase (decrease) in net position		335,074	4,074,192	(237,547)	250,396	(140,520)	4,281,595
Net position (deficit) - beginning - as previously stated		2,447,008	(3,278,620)	658,918	58,258	637,024	522,588
Prior period adjustment		-	_	(382,234)	-	71,026	(311,208)
Net position (deficit)- beginning - as restated		2,447,008	(3,278,620)	276,684	58,258	708,050	211,380
Net position - ending	\$	2,782,082	\$ 795,572	\$ 39,137	\$ 308,654	\$ 567,530	\$ 4,492,975

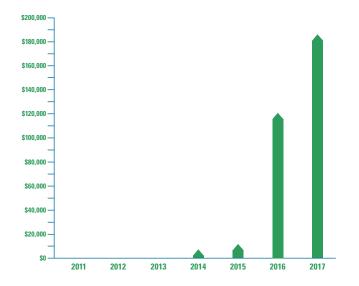
# HISTORICAL REVENUES

FROM 2011 TO 2017



### **PAYROLL BENEFITS**

FROM 2011 TO 2017



#### REDCO OFFERS THE FOLLOWING BENEFITS FOR FULL-TIME EMPLOYEES:

- Health, dental, and vision insurance
- Life insurance
- Simple IRA match
- Paid time off
- 12 paid holidays per year
- 4 hours of education leave/week

# LEADERSHIP TEAM



#### WIZIPAN LITTLE ELK | CHIEF EXECUTIVE OFFICER

"One universal truth I believe in is that we all have a duty to leave the world better than when we came in. At REDCO, we have an incredible opportunity to pay it forward for future generations by strengthening our economy, providing revenue for our Tribe, creating jobs to support families, and planning a future for our grandchildren's grandchildren. This is about 7th generation thinking, planning, and action."

#### CLAY COLOMBE | CHIEF FINANCIAL OFFICER

"I work to help my Tribe become self-sufficient, for the Tribe to have the resources to fix our housing and education issues in the best way we see fit. And to give future generations opportunities to succeed in whatever path they choose."



#### JOHNNA WALN | FINANCE OFFICER

"I envision REDCO's big picture. Although there are obstacles, REDCO doesn't give up on achieving our goals."

#### TRAVIS EAGLE DEER | SICANGU PROPANE GENERAL MANAGER

"Seeing where the company has come from to where the company is going, as far as growth in the customer base and employees, motivates me. I come to work for the challenges of the job working in adverse weather and making daily adjustments to better the company in the long run."





#### NATASHA EAGLE STAR | PAYROLL ADMINISTRATOR & HUMAN RESOURCES

"My drive and motivation are my family. I look at them and realize in order for them to be successful, I need to motivate them and others. I come to work to make a difference. I want my family and young people to see that even though we had a hard start, the path gets easier with hard work and dedication."

# LEADERSHIP TEAM



#### RED DAWN FOSTER | BUSINESS COACH & COMMUNITY DEVELOPMENT COORDINATOR

"Our community and Indian country as a whole is such a beautiful place. I love working with other natives and like-minded people who are committed to working hard and collaborating to create a community that is true to Lakota values."

#### TAFFY LAFFERTY | DEVELOPMENT OFFICER

"My motivation is the children and grandchildren. They must have hope and know they can be successful in life."





#### TOM PEARSON | ROSEBUD ELECTRONIC INTEGRATION **GENERAL MANAGER**

"Living a passionate life drives me. My motto has been 'Learning + Dreaming + Doing = A Passionate Life!' Right now, I dream of helping REDCO become very successful. Having had five careers during my life, with a sixth one as a writer following my life at REDCO, I have attempted to live a passionate life."

#### MIKE PRATE | FOOD SOVEREIGNTY DIRECTOR

"Food is one of those areas of life that has the potential for deep and widespread impact. Building up a local food system will change the trajectory of the economic, social, and physical health of our community. I want to do something each day that helps to leave our community and the planet as a whole better for the ones who are going to come after us."





#### RICH QUINN | ROSEBUD CONSTRUCTION GENERAL MANAGER

"Being involved in an organization with a positive culture and attitude of success makes me optimistic. My need for perfection motivates me to try and create project management systems and processes that enable us to construct projects with better quality and in a more organized fashion."

# LEADERSHIP TEAM

# TONY TEN FINGERS | ECONOMIC DEVELOPMENT SPECIALIST

"Change is initiated by having the courage to take the first step."





# MINDI VAVRA | ARROW FINANCIAL SERVICES GENERAL MANAGER

"My life is a compilation of different experiences and opportunities. I evaluate the value of each stepping stone in my life simply by personal growth and social impact that the experience or opportunity offers. Being a member of the REDCO team is very valuable, because the big picture of social impact and personal growth is the glue that holds our team together."

# SHERE WRIGHT | ROSEBUD OFFICE SOLUTIONS GENERAL MANAGER

"I am optimistic seeing REDCO go from a few employees with scarce resources and losing money, to a profiting company that is providing over 30 jobs. This proves we can rebuild our economy. I chose a job where I could help my reservation while earning a living for my family. If every person made one small contribution or volunteered for positive change, this world would change drastically."



# REDCO SUBSIDIARIES

- Antelope Lake Communications
- Community Food Sovereignty Initiative
- Economic Development Administration
- First American Supply
- Keya Wakpala
- Lakota Water
- Rosebud Construction
- Rosebud Electronic Integration
- · Rosebud Facilities Management
- Rosebud Farm

- · Rosebud Lending
- Rosebud Office Solutions
- Sicangu Auto
- Sicangu Propane
- Tatanka Fund
- Tribal Credit Co-op
- Turtle Creek Crossing
- Turtle Creek Financials
- West Haven Trailer Court
- Winner Casino



