



**Annual Report  
to the  
Membership**

**2006**

**Swift County  
GROW and RDA**

March 29, 2007

# Table of Contents

Board President's Remarks	3
Yearly Highlights	3
Financial Statements	
Swift County Revolving Loan Fund	6
Swift County GROW Fund	8
Swift County RDA Loan Fund	9
Swift County RDA Board of Directors	13
Members of Swift County GROW	14
Contact Information	15

## Board President's Remarks

*On behalf of the board of directors, I am pleased to provide you with this annual report.*

*It is an exciting time for economic development in Swift County. With new business facilities being constructed and planned expansions of business, the area is well positioned to benefit from the increased focus on renewable energy.*

*The Swift County Rural Development Finance Authority is in the process of seeking a new executive director. We look forward to this person helping our community grow and continue to support economic opportunities in Swift County. Thank you to all individuals, businesses, and government entities that support economic development in Swift County.*

---

**Ed Ulmaniec, President**  
Swift County RDA Board of Directors

## Yearly Highlights

There were a number of significant economic development activities that took place in Swift County in 2006. The Swift County RDA/GROW organization, with the assistance and expertise of Executive Director Sue Pirsig, was responsible for playing a role in the following activities.

### Program Activity

#### Infrastructure Change

A major change in the RDA took place in 2006. After eighteen years with the organization, Sue Pirsig left to assume a similar role with the City of Jackson, Minnesota, Economic Development Administration (EDA). Ryan Krosch, under contract with the Upper Minnesota Valley Regional Development Commission, assumed the position of interim executive director pending resolution of the future administrative structure of the RDA/GROW. Additionally, Sandi Rodahl of the Housing and Rural Development/Veterans Service Office (HRA/VSO), provided administrative services one day per week during the transition period. Chuck Koenigs, who recently retired from his position as director of Swift County Human Services, has recently begun as interim executive director. He will continue in this role until a new executive director has been hired. The RDA also made an office change during the year, remaining in the lower level of the courthouse. The RDA also commenced contracting out some of its technical accounting functions to Conway, Deuth & Schmieging.

#### Strategic Planning Retreat

On October 16, the RDA board members participated in a strategic planning session. This session was facilitated by Ben Winchester of the Center for Small Towns of the University of Minnesota, Morris.

#### Blue Ribbon Commission

The RDA helped with the creation of a Blue Ribbon Commission by the Swift County Board of Commissioners in June. Commission Chairman Jedd Wennerberg stated that "the two main objectives are to maintain current residents of Swift County and to bring back prior

residents of Swift County." The commission's mission statement is: "creating opportunities for Swift County families through business development, education, jobs, and amenities." Multiple entities financed the commission; among them are the Benson EDA (\$3,333), the City of Kerkhoven (\$1,000), the City of Appleton (\$250), the Appleton EDA (\$1,500), the Swift County Board of Commissioners (\$3,333), and the Swift County RDA (\$3,333).

### **Board Composition**

The RDA participated with local legislators and others to seek a statutory adjustment to permit changes in the complexion of the RDA board of directors. This effort was successful, with the governor signing the legislation as passed in April. Consequently, the board was able to reorganize itself into its current nine-person board structure.

### **Community Advantage Leadership Program (CALP)**

The RDA continued its participation in the CALP efforts. The CALP mission statement is ". . . engaging and enabling the community to grow and prosper . . ." Through a structured planning process, CALP identified several key points on which to focus its energy:

- Renewable energy projects
- Community survey (see below)
- Developing a wind energy project
- Business incubation projects

### **Community Survey**

As an outgrowth of the CALP, the RDA was actively involved in the development of an extensive survey designed to ". . . help people in the Benson school district understand the impact of shopping and investing locally . . ." An inter-agency, community-based group called the Increasing Local Purchasing Team was responsible for the development of the extensive survey tool. The data from the more than five hundred surveys that were returned is in the process of being analyzed by the University of Minnesota, Morris.

## **Loan Activity**

### **North American Fertilizer**

Participated with multiple players in the financing of the North American Fertilizer business development. The RDA provided a \$100,000 loan from the Swift County Revolving Loan Fund as part of the project. A total of \$5 million in funding was secured to help this business develop adjacent to the Fibrominn plant. The RDA also played a facilitating role in land acquisition for the business.

### **Loan Default**

Unfortunately, the RDA saw one default/bankruptcy occur with one of its business loans in the early part of 2006. This is still being processed in legal venues.

## **Community Involvement**

### **Renewable Energy**

The RDA executive director participated with a small group of presenters at the 2006 BIO Conference in Chicago, Illinois, April 10-12. Representing southwestern Minnesota, the RDA gave a presentation during this large conference to promote the Swift County area and its various renewable energy endeavors. Led by the Southwest Initiative Foundation, this delegation consisted of Sherry Ristau, representing the Southwest Initiative Foundation;

Jan Lundebrek, representing Chippewa Valley Ethanol Company, LLC; and Sue Pirsig, representing the RDA.

### Grant Award

In March, the RDA was the recipient of a \$5,000 grant award from the Southwest Initiative Foundation. The monies were awarded for the purchase of educational materials to promote Renewable Energy Marketplace programs.

## Some Statistics

### Business Consultations

The RDA office maintains an "open door" for consultation with prospective business enterprises. Data is maintained on a monthly basis relative to the number of inquiries and non-duplicated contacts. Quarterly data reveals the following:

1<sup>st</sup> quarter: 14  
2<sup>nd</sup> quarter: 21  
3<sup>rd</sup> quarter: 14  
4<sup>th</sup> quarter: 6

### Small Business Development Center

The RDA is the host site for monthly business consultations provided by Mark Stiegel from the Small Business Development Center of St. Cloud State University. Mr. Stiegel was at the RDA office on the first and third Tuesdays of each month to provide free, one-to-one business consultation. During 2006, Mr. Stiegel had 63 consultation sessions.

### Loans Stats

	# of Loans	Balance Due	# of Loans	Balance Due
	12-31-05	12-31-05	12-31-06	12-31-06
Revolving Loan Fund	7	\$245,586	7	\$220,971
County RDA Fund	7	\$80,163	6	\$67,621
Total:	14	\$325,749	13	\$288,592

# Swift County Revolving Loan Fund

## BALANCE SHEET

As of 12-31-06

Account	12-31-06 Balance
<b>ASSETS</b>	
Other Assets	
Cash in RLF	\$314,017.22
Claussen Properties	\$ .00
CRM 01	\$ .00
Custom Roto-Mold	\$ .00
ECONAR Loan 2004	\$107,357.55
Ellingson L&C	\$ 13,573.71
Huston and Sons	\$ 15,263.74
Mary Lou Johnson Loan	\$ 16,760.92
McDonald Heavy Ind. Loan	\$ 19,246.25
Moe's Appleton Building Center	\$ 32,240.99
Rustad Loan	\$ 16,527.71
<b>TOTAL OHTER ASSETS</b>	<b>\$534,988.09</b>
<b>LIABILITIES &amp; EQUITY</b>	
LIABILITIES	\$ .00
EQUITY	\$534,988.09
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$534,988.09</b>

# Swift County Revolving Loan Fund

## PROFIT & LOSS COMPARISON

As of 12-31-06

Category	1/1/06- 12/31/06	1/105- 12/31/05
<b>INCOME</b>		
Interest Income Loans	\$10,500.42	\$11,858.17
Interest Income Savings	\$ .00	\$ 2,494.00
Loan Repayment:		
Federal Funds	\$ 541.35	\$ 264.43
State Funds	\$3,475.00	\$2,893.29
<b>TOTAL Loan Repayment</b>	<b>\$ 4,016.35</b>	<b>\$ 3,157.72</b>
<b>TOTAL INCOME</b>	<b>\$14,516.77</b>	<b>\$17,509.89</b>
<b>EXPENSES</b>		
Loan Principal:		
Federal Funds	\$ 541.35	\$ .00
<b>TOTAL Loan Principal</b>	<b>\$ 541.35</b>	<b>\$ .00</b>
Uncategorized Expenses	\$3,335.85	\$3,157.72
<b>TOTAL EXPENSES</b>	<b>\$3,877.20</b>	<b>\$3,157.72</b>
<b>TOTAL INCOME - EXPENSES</b>	<b>\$10,639.57</b>	<b>\$14,352.17</b>

# Swift County GROW Fund

## BALANCE SHEET

As of 12-31-06

Account	12-31-06 Balance	12-31-05 Balance
<b>ASSETS</b>		
Cash & Bank Accounts		
Co-op Checking	\$ 96.08	\$ 33.58
Co-op Savings	\$24,195.62	\$23,125.82
Member Dues 2005	\$ 250.00	\$ 250.00
	<hr/>	<hr/>
<b>TOTAL Cash &amp; Bank Accts</b>	<b>\$24,541.70</b>	<b>\$23,409.40</b>
Other Assets		
1 <sup>st</sup> Am CD	\$ .00	\$ .00
1 <sup>st</sup> Sec CD	\$ .00	\$ .00
CD at Co-op Credit	\$20,601.14	\$20,000.00
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$45,142.84</b>	<b>\$43,409.40</b>
<b>LIABILITIES &amp; EQUITY</b>		
LIABILITIES	\$ .00	\$ .00
EQUITY	\$45,142.84	\$43,404.40
	<hr/>	<hr/>
<b>TOTAL LIABILITES &amp; EQUITY</b>	<b>\$45,142.84</b>	<b>\$43,404.40</b>

# Swift County Rural Development Authority Board of Directors

Name	Address	Position	Term Expires
Ed Ulmaniec	500 Willmar Avenue SE Willmar MN 56201 320-231-8114 ejulmaniec@bremer.com	President	Dec. 2011
Ann Delgehausen	509 18 <sup>th</sup> Street North Benson MN 56215 320-843-2384 adelgehausen@chartner.net	Vice President	Dec. 2013
Belinda Sanders	750 45 <sup>th</sup> Avenue SW Benson MN 56215 320-843-4210 belinda@co-opcreditunion.com	Secretary-Treasurer	Dec. 2008
Jon Erickson	1530 SE 60 <sup>th</sup> Street Kerkhoven MN 56271 320-264-1882 1882homestead@tds.net	Member	Dec. 2011
Jason Heinecke	945 North Hering Street Appleton MN 56208 320-289-1202 appoil@hotmail.com	Member	Dec. 2014
Paul Kittelson	508 18 <sup>th</sup> Street North Benson MN 56215 320-843-3190 pjkitllel@charter.net	Member	Dec. 2009
Pete Peterson	160 Highway 29 SW Benson MN 56215 320-843-5376 brensgto@earthlink.net	Member	Dec. 2012
Eric Rudningen	Box 252 Kerkhoven MN 56252 320-264-0216 erudningen@tds.net	Member	Dec. 2013
Tim Wengler	455 South Munsterman Appleton MN 56208 320-289-2052 timothy.wengler@correctionscorp.com	Member	Dec. 2008

## Members of Swift County GROW

Abner Sales LP - Benson	Appleton Area Health Services
Bank of the West - Benson	Benson Area Chamber of Commerce
Benson Bakery	Benson Economic Development Authority
Benson Gravel - Kerkhoven	Breen's Pharmacy - Benson
BG Amundson Construction - Benson	Case New Holland - Benson
Chevalier & Associates - Benson	Chippewa Valley Ethanol Company, LLC
City of Holloway	Kerkhoven Economic Development Authority
Clark's Drug - Benson	Commerford Gravel - Danvers
Conway, Deuth & Schmiesing, PLLP	Cook's Sports Arena - Benson
Co-op Credit Union - Benson	Country Inn & Suites - Benson
Culligan - Appleton	Custom Roto-Mold - Benson
Dean Erickson, DDS - Benson	Del Dee Foods - Appleton
Do-Mat's Family Foods - Benson	Dooley's Petroleum - Murdock
Duffy's Bar and Grill - Benson	ECONAR Energy Systems, Inc. - Appleton
E & M Electric - Benson	Farmers & Merchants State Bank-Appleton
Fibrominn - Benson	Financial Security Bank - Kerkhoven
First American State Bank - Benson	First Federal Savings Bank - Benson
First Security State Bank - Benson	First State Bank - Murdock
Future Products, Inc. - Benson	Geyer Demolition, Landscaping & Landfill
Glacial Plains Cooperative	Hair Hut - Benson
Klassen Farms - Benson	Lange Associates - Benson
Local 563 Construction Labor Union	GoldenLiving Center, Meadow Lane - Benson
Monitor Printing Company - Benson	Prairie Correctional Facility - Appleton
Prairie Pub - Clontarf	Quest Broadcasting (KSCR), Inc. - Benson
RedBall - Benson	Ron Carlson Machine - Benson
Rustad Bus & Tour Service - Kerkhoven	Sprint (Embarq) - Benson
State Bank of Danvers - Danvers/Benson	Stony Ridge Foods - Benson
Swift County RDA	Thrivent for Lutherans - Benson
T & K Kennedy Excavating - Benson	

## Contact Information

Swift County RDA and GROW  
Swift County Courthouse  
301 14<sup>th</sup> Street North  
Benson MN 56215

Phone: 320-842-4769

Toll-free: 888-843-4769

Fax: 320-843-4850

E-mail: [rda@co.swift.mn.us](mailto:rda@co.swift.mn.us)

Web: [www.swiftcountyrda.com](http://www.swiftcountyrda.com)

### Office Hours

8:00AM to 4:30PM, Monday to Friday

Other times by appointment

### Small Business Development Center Hours

9:30AM to 2:00PM

First and third Tuesday of each month

Call the RDA/GROW office for an appointment





Conway, Deuth & Schmiesing, PLLP  
Certified Public Accountants & Consultants

Board of Directors  
Swift County Rural Development Finance Authority  
Benson, Minnesota

We have compiled the accompanying balance sheet of the Swift County Rural Development Finance Authority as of December 31, 2006 and the related statement of revenue, expenditures and fund balance for the twelve months ended December 31, 2006 and the accompanying supplementary information contained in the budget vs actual report and the available to lend and operate report for the twelve months ended December 31, 2006 which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. However, we did become aware of the departures from generally accepted accounting principles that are described in the following paragraph.

Management has elected to omit substantially all of the disclosures and the statement of changes in fund balance required by generally accepted accounting principles. If the omitted disclosures and statement were included in the financial statements, they might influence the user's conclusions about the Authority's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

CONWAY, DEUTH & SCHMIESING, PLLP  
Certified Public Accountants  
Benson, Minnesota

January 9, 2007

Willmar Office  
331 Third Street SW, Ste 2  
Willmar, MN 56201  
(320) 235-3311

Benson Office  
1209 Pacific Avenue  
Benson, MN 56215  
(320) 843-2302

Morris Office  
401 Atlantic Avenue  
Morris, MN 56267  
(320) 589-2602

Litchfield Office  
820 Sibley Avenue N  
Litchfield, MN 55355  
(320) 693-7975

St. Cloud Office  
143 Sixth Avenue S  
Waite Park, MN 56387  
(320) 223-7700

**Swift County Rural Development Finance Authority**

**Balance Sheet**

*As of 12/31/2006*

**Asset**

**Current Assets**

Cash-Checking	1,096.09	
Cash-Savings	139,146.72	
Cash-Loan Fund	33,505.11	
Certificates of Deposit	35,023.19	
Investment in CVEC	165,000.00	
Investment-Benson Corn Pool	14,850.00	
<b>Total Current Assets</b>		<b>\$388,621.11</b>

**Other Assets**

Notes Receivable-PaDek	9,148.39	
Notes Receivable-Peterson	8,160.65	
Notes Receivable-Roggatz	10,527.79	
Notes Receivable-Stitt	13,566.75	
Notes Receivable-CRM	12,023.78	
Notes Receivable-Lenarz	14,051.70	
<b>Total Other Assets</b>		<b>\$67,479.06</b>

**Total Asset** \$456,100.17

**Liability**

**Current Liabilities**

Payroll Tax Payable	-98.34	
<b>Total Current Liabilities</b>		<b>(\$98.34)</b>

**Total Liability** (\$98.34)

**Equity**

**Capital**

Fund Balance	395,690.24	
<b>Total Capital</b>		<b>\$395,690.24</b>

**Undistributed Income**

Net Income	60,508.27	
<b>Total Undistributed Income</b>		<b>\$60,508.27</b>

**Total Equity** \$456,198.51

**Total Liabilities & Equity** \$456,100.17

**Swift County Rural Development Finance Authority**  
**Statement of Revenues, Expenditures and Fund Balances**

---

	1/1/2006 - 12/31/2006	
<b><u>Revenue</u></b>		
Contract Income	\$150.00	0.1%
Interest Income-Bank	\$2,402.83	1.1%
Interest Income-Loans	\$3,742.00	1.8%
Shared Income-CVEC	\$123,750.00	59.2%
Tax Settlement	\$69,829.85	33.4%
Other Income	\$9,273.75	4.4%
<b>Total Revenue</b>	<b>\$209,148.43</b>	<b>100.0%</b>
<b><u>Total Income</u></b>	<b>\$209,148.43</b>	<b>100.0%</b>
<b><u>Gross Profit</u></b>	<b>\$209,148.43</b>	<b>100.0%</b>
<b><u>Expense</u></b>		
Wages	\$46,221.66	22.1%
Payroll Taxes	\$3,841.57	1.8%
Employee Benefits	\$4,868.34	2.3%
Worker's Comp	\$342.00	0.2%
Office Expenses	\$1,258.23	0.6%
Postage	\$677.21	0.3%
Printing	\$936.90	0.4%
Computer Services	\$211.54	0.1%
Advertising/Promotional	\$2,486.05	1.2%
Telephone	\$985.84	0.5%
Professional Fees	\$1,995.00	1.0%
Dues & Subscriptions	\$360.45	0.2%
Registrations	\$435.00	0.2%
Miscellaneous	\$80.00	0.0%
Special Projects	\$2,699.72	1.3%
Payments to Affiliates	\$72,533.30	34.7%
Insurance	\$2,332.00	1.1%
Travel - Staff	\$2,370.77	1.1%
Board Mtg Expenses	\$4,004.58	1.9%
<b>Total Expense</b>	<b>\$148,640.16</b>	<b>71.1%</b>
<b>Net Income (Loss)</b>	<b>\$60,508.27</b>	<b>28.9%</b>

# BUDGET vs ACTUAL

## Swift County Rural Development Finance Authority

For the Months From January, 2006 To December, 2006

Contents: Budget Remaining Format, All Accounts, All Sub Accounts, Excluding Inactive Accounts

Account	Description	Budget	Actual	Percentage Remaining	Amount Remaining
<b>Revenue</b>					
4000	Contract Income,	\$3,982.00	\$150.00	96.23%	\$3,832.00
4020	Interest Income-Bank,	\$1,638.00	\$2,402.83	-46.69%	(\$764.83)
4025	Interest Income-Loans,	\$3,700.00	\$3,742.00	-1.14%	(\$42.00)
4030	Shared Income-CVEC,	\$34,386.00	\$123,750.00	-259.88%	(\$89,364.00)
4050	Tax Settlement	\$70,000.00	\$69,829.85	0.24%	\$170.15
4075	Other Income	\$50.00	\$9,273.75	-18447.50%	(\$9,223.75)
Total		\$113,756.00	\$209,148.43	-83.86%	(\$95,392.43)
<b>Total Revenue</b>		\$113,756.00	\$209,148.43	-83.86%	(\$95,392.43)
<b>Expense</b>					
5000	Wages,	\$53,908.00	\$46,221.66	14.26%	\$7,686.34
5100	Payroll Taxes,	\$4,025.00	\$3,841.57	4.56%	\$183.43
5150	Employee Benefits,	\$6,522.00	\$4,868.34	25.36%	\$1,653.66
5210	Worker's Comp,	\$350.00	\$342.00	2.29%	\$8.00
5300	Contract Services,	\$450.00	\$0.00	100.00%	\$450.00
6000	Office Expenses,	\$1,140.00	\$1,258.23	-10.37%	(\$118.23)
6050	Postage,	\$200.00	\$677.21	-238.61%	(\$477.21)
6075	Printing,	\$1,100.00	\$936.90	14.83%	\$163.10
6100	Computer Services,	\$500.00	\$211.54	57.69%	\$288.46
6300	Advertising/Promotional,	\$100.00	\$2,486.05	-2386.05%	(\$2,386.05)
6600	Telephone,	\$1,200.00	\$985.84	17.85%	\$214.16
7200	Professional Fees,	\$0.00	\$1,995.00	n/a	(\$1,995.00)
7350	Dues & Subscriptions,	\$185.00	\$360.45	-94.84%	(\$175.45)
7375	Registrations,	\$400.00	\$435.00	-8.75%	(\$35.00)
7500	Miscellaneous,	\$230.00	\$80.00	65.22%	\$150.00
7550	Special Projects,	\$5,000.00	\$2,699.72	46.01%	\$2,300.28
7700	Investment Expense,	\$6,734.00	\$0.00	100.00%	\$6,734.00
7800	Payments to Affiliates,	\$15,353.00	\$72,533.30	-372.44%	(\$57,180.30)
8000	Insurance,	\$1,700.00	\$2,332.00	-37.18%	(\$632.00)
8300	Travel - Staff,	\$2,800.00	\$2,370.77	15.33%	\$429.23
8350	Travel - Board,	\$2,700.00	\$0.00	100.00%	\$2,700.00
8375	Board Mtg Expenses,	\$0.00	\$4,004.58	n/a	(\$4,004.58)
Total		\$104,597.00	\$148,640.16	-42.11%	(\$44,043.16)
<b>Total Expense</b>		\$104,597.00	\$148,640.16	-42.11%	(\$44,043.16)
<b>Net:</b>		\$9,159.00	\$60,508.27	-560.64%	(\$51,349.27)