

HER ART TO CO RE



Artist: Tara McCoy

SEQUOYAH FUND
LENDING AND TRAINING FOR BUSINESS OWNERS
ANNUAL REPORT 2017

LETTER FROM RUSS

WE HONOR OUR ROLE AS HELPERS IN THE LOCAL COMMUNITY AND THE ENTIRE NATIVE CDFI COMMUNITY

Language has always fascinated me. I love the way language evolves over time. I love how the language of one people, one nation, or one culture gets adopted and adapted by other people, nations, and cultures. There are some words and phrases that share common threads – roots – with many different languages. By understanding these common roots, one can often piece together the meaning of multiple unfamiliar words.

For example, “circum” and “circa” mean “around,” so understanding this makes it easier to know that “circumnavigate” means “to go around.” Likewise, “biblio” means “book,” and “philo” means “love,” so a bibliophile is a book lover. This fascination with language is the source of my appreciation for the Cherokee translation of “Sequoyah Fund.”

A slight shift in where a character is placed or how it is pronounced can have a profound impact on the meaning of certain words or phrases. This occurs in many languages, and Cherokee is no different. It was an interesting process when we asked the Cherokee speakers group at Kituwah to look at our name and make sure it was written correctly. After much discussion, they reached a consensus. With slight changes, Sequoyah Fund was written to mean, “Sequoyah the helper,” “Sequoyah helps everyone,” and “Sequoyah is who you go to for help.” No matter how it’s written, we would like to think that all of these translations apply.

We at Sequoyah Fund are here to help. We love that our job is helping make people’s dreams come true, whether it’s a loan to start a new business, grow an existing business, or fix up a beloved family home. We help by guiding new business owners to profitability through coaching and on-going education. We help families build wealth by creating

and maintaining household budgets, spending wisely, and learning the value of saving and investing. We help children learn how money grows over a lifetime of saving. We help artists earn more money with their talents.

Whether you say we’re a helper, we help everyone, or we are where you go for help, you’re right.

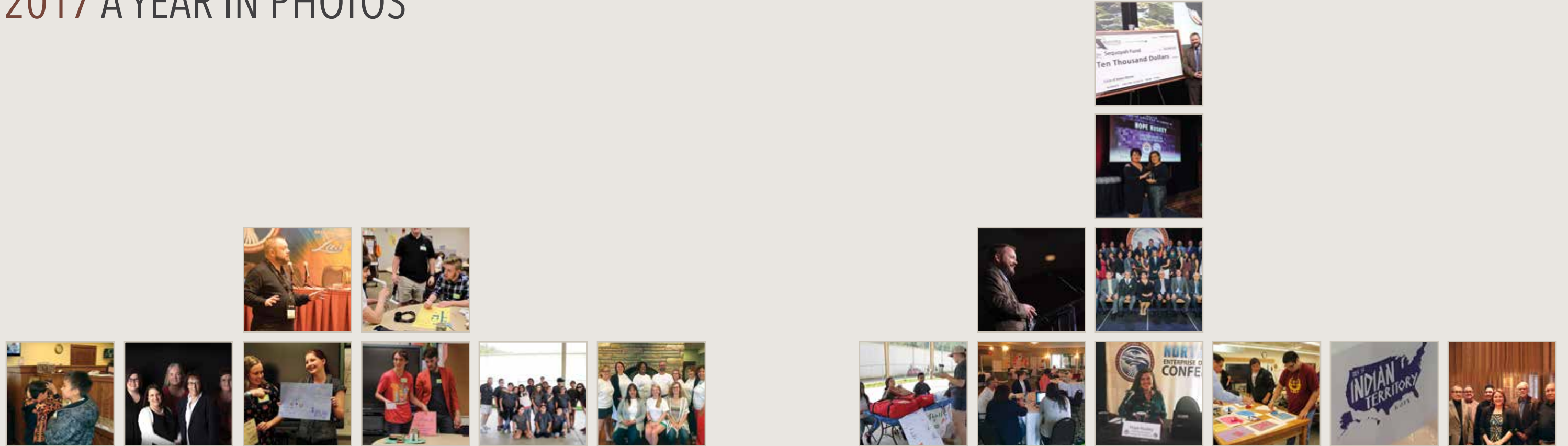
Warmest regards,

Russ Seagle
Russ Seagle, Executive Director



Artist: Mary Thompson

2017 A YEAR IN PHOTOS



JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Happy New Year!	February 23: Open House: - Free Credit Pulls - Free Headshots	March 13: RES Conference: - Russ did 2 Sessions of Small Business Bootcamp - Hope sat on a Transportation Panel March 30: STEM-E Middle School Conference: Trash To Treasure	April 5: OCS Fair April 21: STEM-E High School Conference: Trash to Treasure April 25: WNC Nonprofit Compliance Conference: Russ spoke on Fraud Awareness & Prevention	May 2: Customer service training for Cherokee Children's Home TANF class: Creating a Budget	June 26-30: REAL Entrepreneurship Train-the-Trainer Institute	July 17-21: - Youth Entrepreneurship Camp July 28: Financial Skills for Families Class : TERO Mother Town Group	August 2: Native American Development Center Conference - Russ spoke to tribes in the NW about Sequoyah Fund programs August 29-September 1: - REAL Entrepreneurship Train-the-Trainer Institute	August 29-September 1: REAL Entrepreneurship Train-the-Trainer Institute September 5-7: Northwest Area Conference - Hope won the 40 Under 40 Award - Hope moderated a Project Management Panel - Russ: Sat on a Start-Up Business Panel September 25-29: OFN - Russ discussed Authentically Cherokee at the Native Gathering - Sequoyah Fund won the Circle of Honor Award for Native CDFIs	October 23: Customer Service Training for EBCI Recreation Department October 26-28: - Native Pop Art Show and Classes	November 9-10: Return from Exile Art Show and Symposium - Hope sat on a Business of Art Panel	December 4: Southwestern Community College Small Business Summit and Expo Best wishes to Ray Rose who served on SF's Board since 2006

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NOTES:

The writing above translates to the syllabary for "to help"

LENDING SPOTLIGHT CHEROKEE HISTORICAL ASSOCIATION

The Cherokee Historical Association (CHA) is a non-profit working to “perpetuate and preserve the history and culture of the Cherokee people.” Started in 1948, CHA operates Unto These Hills outdoor drama and Oconaluftee Indian Village. These attractions help visitors learn about the Cherokee people and their way of life. They also help the local economy. More than 6 million visitors have experienced the attractions and CHA employees 10 full-time and approximately 175 seasonal-employees, including Cherokee artisans, cultural specialists, and youth.

Sequoyah Fund has provided help to CHA for several years. While the organization is a non-profit, it runs like a business, making revenue from ticket sales and merchandise. “Sequoyah Fund has helped us a lot over the years,” said John Tissue, CHA Executive Director, “in 2006 and 2007 we added the rain shelter at the drama with the loan funds and through the years there have been several bridge loans to help us get ready for the season.”

In 2017, Sequoyah Fund joined the Eastern Band of Cherokee Indians and Cherokee Preservation Foundation in helping fund Unto These Hills return to their original script. The result was a 12% increase in revenue and 9% increase in ticket sales.

Sequoyah Fund will continue to help CHA in the future as they work towards realizing their strategic plan, including expanding the VIP experience, box seating, and upgrading food at Unto These Hills and updating the Village blacksmith shop.

THANK YOU:

Photos courtesy of Cherokee Historical Association



LENDING SPOTLIGHT BUFFALOTOWN

Luke Swimmer started drawing as a kid. He started his graphic design studies at Southwestern Community College, but he chose YouTube to help him round out his education. In 2017, Luke ordered 48 t-shirts of his own design, and he sold out immediately. This motivated him to start his own company.

Today, Luke not only owns Buffalotown, a t-shirt design business, but he is a full-time student at the University of Kansas (graduating in December with his MBA), works for the Department of Community Health at KU, and is raising two sons with his wife, Tabytha Chekelelee.

Like every new business owner, Luke needed help. “When I first started, I was really proud of doing it all. Now it’s at the point where I can’t do everything.” His wife is his biggest helper, critiquing his work and helping with sales. Sequoyah Fund also helped by providing counseling and capital. Luke says Sequoyah Fund has also helped by offering support and positivity. “Hearing, ‘hey, you can do this,’ has been the biggest thing. The money, of course, is important, because that’s the only way you can operate.”

Luke’s art mixes Cherokee culture, tattoo art, and skateboard streetwear for a unique look. Luke is most proud of the fact that people want to wear his designs. “If I made shirts and no one bought one, I would feel bad, but having people buy everything has given me motivation. Having support is so important. I want to create a model where kids can see what I’m doing and know they can do it. When I talk to young artists, I want to be supportive and make them feel good because I know how they feel.”

Luke’s success has taken trial and error and lots of practice – something he stresses with new graphic designers. Helping others is something he was taught from childhood. Luke saw his mother working hard and being nice to people, and these values became instilled in him. Luke donates to Tribal events and to the school. He is always willing to help with logo designs and freely shares his knowledge and experience with others. “It’s important for me to be a role model for kids. We have so much talent in our community,

and it’s a part of our culture to make money with our talents. People in Cherokee know how to hustle. They know how to make things happen and how to survive.”

Luke plans to come back home after graduation. He wants to work at UNCA to develop their Indigenous Studies Program. He’ll also continue growing Buffalotown, adding a store in the next 5-10 years. He wants to create something he can leave for his children. He hopes his clothing and art will bring people together and be something people can share, even if they have different political views or community division. After all, according to Luke, “Entrepreneurial spirit is a part of our culture.”



I want to create a model where kids can see what I’m doing and know they can do it - Luke Swimmer

OWNER: LUKE SWIMMER

(Above) Buffalotown hoody worn by Luke’s son.
Luke can be found at:
BUFFALOTOWN
<https://buffalotown.myshopify.com/>
<https://www.facebook.com/thebuffalotown/>
<https://www.instagram.com/buffalotown/>

LENDING SPOTLIGHT WHISKEYS TATTOO

Whiskeys Tattoo is more than just a tattoo shop. It’s a place for community, friends, family, artists, and those in recovery. For the owners, Mary Wolfe and Richard Driver, the best part of owning the business is opening the doors every day. “It makes me thankful”, Mary says, “it makes me feel successful, that me and my husband can do this.”

The shop was a long time coming for the couple. Richard has been a tattoo artist for 25 years. After realizing their dream, the couple attended Enterprise Development’s Indianpreneurship class then applied for a loan from Sequoyah Fund. “If I didn’t have Sequoyah Fund we wouldn’t be doing this. I had no credit so a bank wouldn’t look at us”.

Once they had their funding they started renovating a shop on Tsali Boulevard. “Family and friends helped us so much. We were actually able to keep costs down and seeing family get together was wonderful. It makes the business more special.” Mary and Richard were also conscious of helping the environment. They bought everything in their studio secondhand and reused the old wood, giving anything left to community members for fuel or building materials.

The shop is already growing. They have 3 tattoo artists, sell merchandise, and even have temporary tattoos for kids.

OWNER: MARY WOLFE & RICHARD DRIVER



(At Right) Mary Wolfe and Richard “Whiskey” Driver .
The owners Richard and Mary can be found at: 1350 Tsali Blvd. Cherokee, NC
<https://www.facebook.com/whiskeytattoo828/>
https://www.instagram.com/whiskeytattoo_828/



PROGRAM UPDATE KITUWAH SAVINGS




BY THE NUMBERS

YEAR 1:
 33 Accounts
 \$3,896.17 Deposited
 Student Contributions: \$2,471.17
 SF Contributions- \$1,425.00

YEAR 2:
 40 Accounts
 \$2,386.79 Deposited
 Student Contributions: \$1,861.79
 SF Contributions: \$525.00
 Total Savings: \$4,465.16*

YEAR 3:
 46 Accounts
 \$2,123.89 Deposited

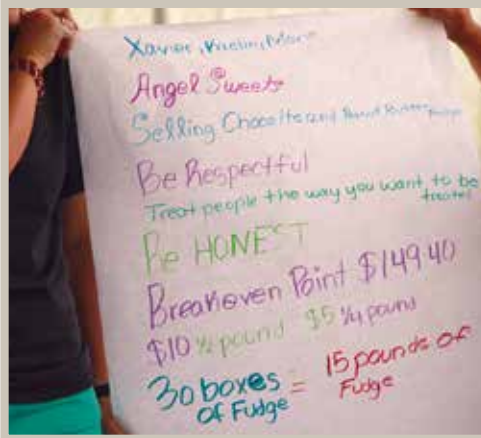


SF Contributions- \$350.00
 Student Contributions- \$1,773.89
 Total Savings: \$6,525.34*

YEAR 4:
 50 Accounts
 \$2,455.96 Deposited
 SF Contributions- \$500
 Student Contribution- \$1,955.96
 Total Savings: \$9,418.27*

YEAR 5:
 61 Accounts
 \$910.60 Deposited (as of March 2018)
 SF Contributions: \$200.00
 Student Contributions: \$710.60
 Total Savings: \$11,773.41*

**(includes past years)*



PROGRAM UPDATE YOUTH CAMP

Youth at our annual entrepreneurship camp created businesses and held a pop-up market. Angel Fudge, Pizza Out, Team T's, and Kawi Tuya sold over \$800 in products in just 2 hours. Teams created logos, customer service policies, and calculated breakeven before buying from local businesses, all Sequoyah Fund clients.



PROGRAM UPDATE AUTHENTICALLY CHEROKEE

Authentically Cherokee had website sales coming in from 14 states and provided product to Harrah's Cherokee Casino and Resort and Lockheed Martin. We hosted 4 artists from Native Pop!. Their show was viewed by over 500 community members, including 200+ students who participated in art workshops by the artists.

NOTES:

Native Pop! Artists, art: Preston Bark, Shell art: Antonio Grant, graphic design by Justin Reed.

Please visit: authenticallycherokee.com



Sequoyah Fund has helped me in countless of ways. I was first introduced to Sequoyah Fund through a coffee fundraiser as a sophomore in high school. I was really honored when they asked me if I would be interested in an internship with them during the summer of 2017 just before my sophomore year of college. Reconnecting four years later was really cool. The staff are very welcoming and so helpful while I was learning my way around the office. I really felt like I was somewhere safe, and where I could grow into myself in a work space. As the summer came to a close, I was chosen to receive a sponsorship from Sequoyah Fund. The amount of money and support that was given from the board and my co-workers were unbelievable. I was able to purchase my traditional wear for the pageant and candy for the parade. Because of their help I won Miss Cherokee! Sequoyah Fund is one of the best things that has come into my life. They have helped me grow into a young adult and have helped me make connections in the community that I would have otherwise never have made.

-Faith Long



FINANCIALS

THE SEQUOYAH FUND, INC.
Statement of Financial Position December 31, 2017
(With Comparative Totals for 2016)

ASSETS:

Current Assets:

	2017	2016
• Cash and equivalents	\$2,264,608	\$ 2,774,657
• Due from employees	15,408	24,940
• Current portion of loans receivable, net of allowance for loan losses	735,805	516,549
• Other receivables	100,235	39,778
• Other current assets	2,050	2,050
> Total current assets	<u>\$3,118,106</u>	<u>\$3,357,974</u>

Noncurrent assets:

• Property and equipment	17,032	11,031
• Intangible assets	10,916	12,371
• Loans receivable, net of current portion and allowance for loan losses	3,516,089	3,446,123
> Total noncurrent assets	<u>3,544,037</u>	<u>3,469,525</u>

TOTAL ASSETS: \$6,662,143 \$ 6,821,422

LIABILITIES AND NET ASSETS:

Current liabilities:

• Current maturities	\$39,614	\$39,222
• Accounts payable	78,994	157,983
• Payroll liabilities	45,135	32,525
> Total current liabilities	<u>163,743</u>	<u>229,730</u>

• Notes payable, net of current maturities 875,613 915,226

TOTAL LIABILITIES: \$1,039,356 \$1,144,956

Net assets:

• Unrestricted	4,626,500	4,295,600
• Temporarily restricted	996,287	1,386,943
> Total net assets:	<u>\$5,622,787</u>	<u>\$5,682,543</u>

2017 LENDING

49 Total Loans

\$1,175,251.04 Total Lended

LENDING SINCE INCEPTION

446 Total Loans

\$16,473,322.62 Total Lended

LENDING TO TARGET MARKET

48

Target Market
48 loans: \$1,120,251.04

1

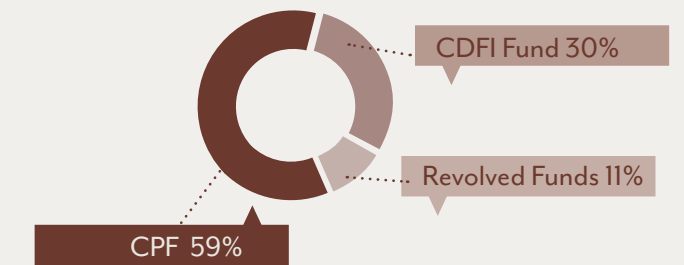
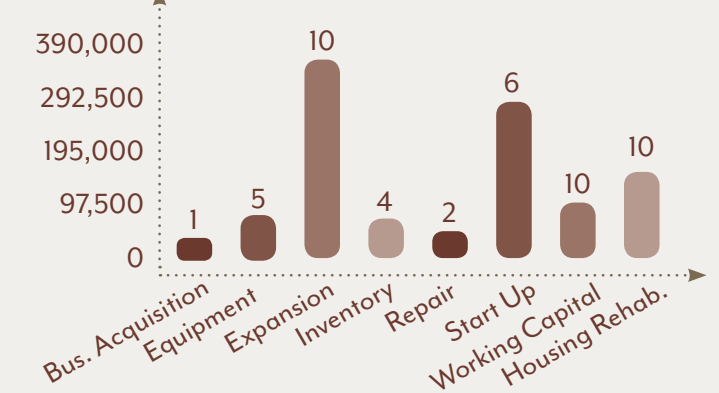
Secondary Market
1 loan: \$55,000

Target market includes enrolled members of the EBCI and business located on the Qualla Boundary.

LENDING SECTORS

Agriculture: \$21,000.00
Art: \$32,000.00
Campground: \$25,000.00
Childcare: \$110,000.00
Construction: \$76,541.04
Facade/Revitalization: \$16,000.00
Food Service: \$112,400.00
Other: \$6,630.00
Retail: \$140,000.00
Service: \$289,945.00
Tourism: \$192,435.00

TYPES OF LOANS



Sequoyah Fund operates on grant funding and revolved interest and fees. Major funders include: Cherokee Preservation Foundation, CDFI Fund, and USDA. Funding sources for 2017 loans are indicated in the pie chart.

OFF BOUNDARY

Cherokee County: 1 loan: \$5,000
Graham County: 1 loan: \$5,000
Jackson County: 1 loan: \$10,000
Swain County:
4 loans: \$66,630

LOCATION OF LENDING

QUALLA BOUNDARY:
Cherokee: 39 loans: \$1,039,121.00
Snowbird: 3 loans: \$43,500

LOOKING FORWARD

In our efforts to help people build wealth and take advantage of economic opportunity, our mission is clear: We will continue to help those who wish to start new businesses, grow existing businesses, increase the value and livability of their home, and improve their overall financial condition. But there is more to be done.

A new generation of entrepreneurs needs to be nurtured as they hatch ideas and develop skills they'll need to pursue economic opportunities and build wealth. Through our Youth Entrepreneur Summer Camp and the Kituwah Savings Program, we can help children begin this journey from a young age.

So who will we help next?

Those most in need of economic opportunity are those whose lives have been affected by addiction. Many who suffer from substance abuse are unemployable due to incarceration – and in many cases – repeated incarceration. In isolation, drug counseling, entrepreneurship training, and small business opportunity have shown promise in reversing recidivism. We will soon introduce the PEER program

(Promoting Entrepreneurship to End Recidivism) that encompasses all three of these interventions. We hope that by addressing those most in need, we can help rebuild lives while we continue to help build our economy.

Business owners who desire to use leased commercial property as collateral understand how difficult and lengthy this process can be. The BIA requires a lease bond be issued for the lease term. A bond is often difficult to acquire, so a Letter of Credit from a bank may be offered as a substitute. Many Sequoyah Fund clients are not in a financial position that affords them easy access to lease bonds, nor do they qualify for a Letter of Credit. Sequoyah Fund has received notice of funding for a pilot lease bond program. While the details of how this program will work are still in the hands of our legal team, we are certain that these funds can be used to help overcome the difficulty and frustration of securing a lease with a bond.

NOTES:

(Below) Katie Jacobs



A SPECIAL THANK YOU



NOTES:

- (Clockwise from top left)
- Cherokee Elementary students and Brent Learned after a collaborative art workshop
 - Patches by Native Clan Designs
 - Cherokee Central School students
 - Native Clan Designs equipment
 - Cherokee Central School students in a print making and ledger art workshop
 - Native Clans Design and Cherokee Quality Products

- Eastern Band of Cherokee Indians
- Cherokee Preservation Foundation
- CDFI Fund
- Enterprise Development Center, EBCI Division of Commerce
- USDA, Rural Development Programs
- Small Business Administration
- The National Center for American Indian Enterprise Development
- First Nations Oweesta
- First Citizens Bank
- Cherokee Central Schools
- Joyce Dugan Cultural Arts Center
- Cherokee Boys Club
- Ray Kinsland Leadership Institute
- Kituwah Academy
- Cherokee Speakers Group
- Qualla Arts and Crafts Cooperative
- Museum of the Cherokee Indian
- Cherokee Cooperative Extension
- Temporary Assistance for Needy Families (TANF)
- Southwestern Planning Commission
- Western Carolina University
- Bardo Arts Center
- WNC EdNet
- Indian Arts and Crafts Board
- ONABEN
- OnTrack
- Lockheed Martin
- Southwestern Community College Small Business Center
- Native CDFI Network
- Consortium for Entrepreneurship Education (Entre-Ed)
- Service Corps of Retired Executives (SCORE)
- Native Pop!
- Big Y Gym

SEQUOYAH FUND

STAFF

- Russ Seagle: Executive Director
- Hope Huskey: Associate Director
- Melanie Johnson: Lead Accountant
- Dorian Walkingstick: Portfolio Manager

BOARD

- JL Burgess: Chair
- Yona Wade: Vice Chair
- Richard Sneed: Secretary
- Emily Breedlove: Treasurer
- Nathan Robinson
- Ray Rose



DEPOSITS



Sequoyah Fund
Ginger L. Welch Complex
810 Acquoni Road Cherokee, NC 28719

828-359-5002 | sequoyahfund.org