

A photograph of a stream flowing through a dense forest. The water is clear and reflects the surrounding greenery. Large, dark rocks are scattered throughout the stream, some partially submerged. The background is filled with tall trees and a thick canopy of leaves, creating a sense of a secluded, natural environment.

SEQUOYAH FUND

PROGRESS REPORT 2014



DEAR FRIENDS

When Sequoyah Fund, Inc. was formed from the EBCI Revolving Loan Fund in 2007, few could have envisioned the changes we would go through and the growth we would realize as a CDFI (Community Development Financial Institution). While our growth has been impressive, the impact we have had on the Qualla Boundary and the seven far-western counties of North Carolina has been nothing short of amazing.

What started as a simple vehicle for making small business loans has grown into a modern, formal, professional lending institution with ties to local banks, business, and governments. Growth has been fueled by and focused on our original mission of “Lending and Training for Small Businesses.” Even today, we keep that mission before us on a daily basis. That mission guides our actions, programming, outreach efforts, and keeps attention on what matters most: Improving lives and the economy on the Qualla Boundary and Western North Carolina.

2014 – TRANSITIONING TO A NEW LEVEL:

While CDFIs are not subject to federal banking regulations, we are still a commercial lender held to high standards by federal funding agencies and local grantors. Funders expect a certain level of reporting and accountability, and as our loan portfolio has grown, so has the complexity of operations. In 2014, we began a concerted effort to improve our systems for more complete data collection, sound reporting to all agencies to which we are accountable, and security for the sensitive client data entrusted to us for the purpose of making loan decisions and assisting with credit improvement.

In addition, a complete review of our loan documentation was conducted by a law firm specializing in lender representation. This review resulted in updated loan documents, increasing our ability to perfect liens, secure and recover collateral, collect bad debts, and effect judgments where necessary. We never look forward to collections and legal action, so we want to ensure our processes allow us to expedite these unpleasant activities as quickly and efficiently as possible to minimize cost for us and for the client. Having more professional documentation has been a major step in our transition to a more professional organization.

New Levels of Support for Local Businesses: Part of our job is to lend money to start and expand businesses. Another equally important part is to hold our clients’ hands, providing the support they need to stabilize and grow. In 2014, we identified two client segments in need of specific support: home-based businesses and artists.

Until just a couple hundred years ago, virtually all businesses were home-based. It wasn’t until the Industrial Revolution that business activities were consolidated and centralized, taking people from their homes to “work.” Today, the pendulum has shifted back to home-based business activities since operating from home is less expensive, affords more flexibility, and more time with family and non-business interests. Mobile technology makes it possible for the small businesses to operate from home as productively as large businesses.

Unfortunately, home is not always the ideal place from which to conduct business. Often, these businesses require amenities like high-speed wireless Internet, meeting facilities, color copying, and video conferencing. 2014 saw the birth of Open Office, a shared office concept offering Sequoyah Fund’s excess office capacity to clients at affordable rates. Clients are able to access all the modern technology and facilities necessary to take their businesses to new level, while still operating their business primarily from home. It’s the best of both worlds!

Some businesses taking advantage of Open Office are local artists. These and other Cherokee artists can now sell goods beyond the local retail markets through our Authentically Cherokee program. Authentically Cherokee artists can access retail and wholesale customers through direct sales, consignment, and online. In 2015, we will debut a website dedicated to showcasing and selling Authentically Cherokee art under the Authentically Cherokee brand.

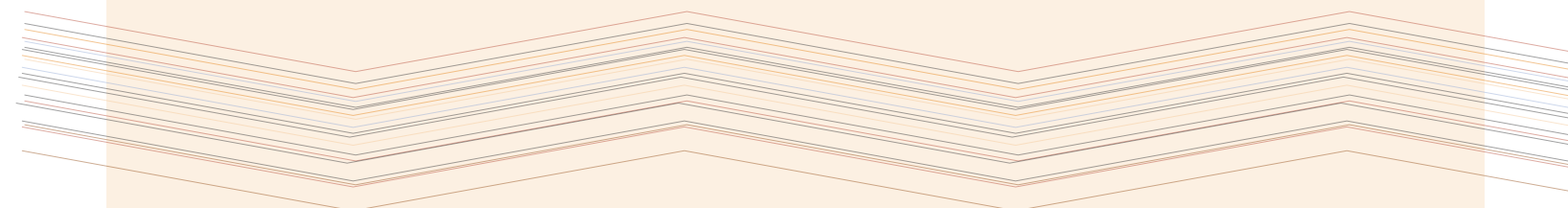
Individual artists will be able to cultivate their own personal brand and they will have the Authentically Cherokee brand to tie them to other talented artists. One could think of the Authentically Cherokee brand as akin to the “Real Dairy” or “Certified Angus Beef” brands. Each small business is responsible for attracting customers, creating a quality, desirable product, and extending their own brand. Having the Authentically Cherokee label offers a “stamp of approval” that adds credibility customers will recognize and remember. This brand will help our tremendously talented artists rise to a new level within the art community.

Whether we are elevating our local arts community, small businesses’ ability to compete, or small business employment in the region, rest assured Sequoyah Fund remains committed to taking our organization and stakeholders to new levels in 2015 and beyond. We also look forward to continuing – and elevating to new levels – the remarkable relationships we enjoy with other committed individuals and organizations in Western North Carolina.

Cordially yours,

Russ Seagle

Russ Seagle
Executive Director



PROGRAMS HIGHLIGHTS:

ARTIST-TO-ENTREPRENEUR PROGRAM

Cherokee artists are experts at their craft. They have perfected basket making, beading, sculpting clay, and carving wood through thousands of years of practice. We can help them achieve more success through building their business. Using training, one-on-one consulting, and finding new market opportunities, we make it as simple as possible to teach artists the basics, leaving time for them to do what they do best, create.

- Cherokee Marketplace event at Asheville Chamber of Commerce
- Consigned \$2,744 worth of inventory in three stores outside of Cherokee - artists received \$1,978.75 in sales.
- Deployed four business loans to artists used for purchasing supplies and equipment, traveling to art shows, and marketing materials

Cherokee AWE (Appalachian Women Entrepreneurs) Group meets monthly. In 2014 they participated in Handmade in America's Cool Craft Market and were featured in a display at Whole Foods in Asheville. Join them in 2015 - meetings are held the 3rd Thursday of each month, 5pm at Sequoyah Fund.

KITUWAH SAVINGS PROGRAM

Created in partnership with Kituwah Academy and First Citizens Bank, the Kituwah Savings Program is a children's savings account program for students at Kituwah Academy that encourages saving at an early age, promotes an understanding of the importance of financial services and institutions, and teaches basic banking skills.

- 33 students in pilot program
- Saved \$3,896.17

OPEN OFFICE

Open Office provides affordable office space to small businesses in Cherokee. Located in Sequoyah Fund's office suite, the available offices provide shared work space and individual offices, along with small business services like WiFi, copying, faxing, and use of conference room.

- Open Office currently houses 2 businesses full time.
- In 2014 the services were used by 4 businesses and over 665 hours were logged.

OTHER FUN FACTS:

- 11 middle school students participated in the 2014 WNC Youth Entrepreneurship Camp.
- Providing financial education with OnTrack Financial Education & Counseling
- Partnered with Tribal Child Support/TANF Offices to provide budgeting to clients

“Sequoyah Fund, they’re great people to work with and they’re thorough in what they have to provide for you as far as growing your business, financial help, the whole works. They make it fun for you...they encourage you to keep going.”

-Betty Maney, Authentically Cherokee artist

Kituwah Savings Program (at right)



PROGRAM SPOTLIGHT AUTHENTICALLY CHEROKEE: EXPERIENCE THE CONTEMPORARY TRADITION

What is Authentically Cherokee? In 2013, Sequoyah Fund partnered with ONABEN and began working with a group of artist-entrepreneurs in the community. When considering needs, Sequoyah Fund staff noted there was a group of artists whose projects diverged from other artistic work in the area. It was more modern and a little different. The artists agreed and brainstormed with staff to determine other needs of the group, ultimately involving:

- Further skill development
- Expansion of their audience
- A plan for expanding their reach and protecting authenticity of their work
- Increased awareness of their unique expressions of art
- Creation of the Authentically Cherokee brand

Envisioned as part of a 'buy local' type of campaign, in 2014, this evolved into a local brand, Authentically Cherokee. This brand embodies artist-entrepreneurs of the Qualla Boundary who work to preserve Cherokee culture in a contemporary way. They honor tradition through their modern perspectives and the result of their unique vision is an organic synthesis of the past, present, and future. This brand also serves as an opportunity to share authentic Native American culture with new generations and a larger audience outside the Qualla Boundary.

This project is funded by ONABEN - Our Native American Business Network, through the Administration for Native Americans (Sustainable Employment & Economic Development Strategies) SEEDS grant. ONABEN works with Native entrepreneurs, partner organizations, and community networks, focusing on developing local economies.

Thus far, the artist-entrepreneurs, Sequoyah Fund, and ONABEN have developed Authentically Cherokee products, including:

- Website: <http://www.authenticallycherokee.com/>
- Facebook page: <https://www.facebook.com/authenticallycherokee>
- Logo, marketing materials (brochures, hang tags, stickers), promotional video
- Strategic regional partnerships
- Events

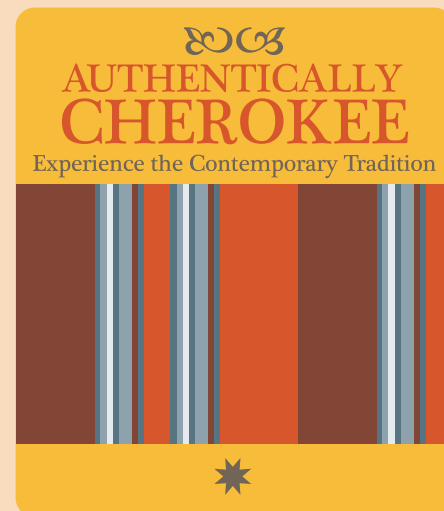
Authentically Cherokee artist have already communicated

their brand and message through several events in North Carolina. In July of 2014, Sequoyah Fund, ONABEN, and the Asheville Chamber of Commerce (co-sponsored by the Asheville Area Arts Council and Society of North American Goldsmiths) organized an Authentically Cherokee - Native Marketplace at the Asheville Chamber of Commerce, highlighting the brand and the artists from the Qualla Boundary. Artist developed their networking abilities, expanded their audience, sold their work, and demonstrated their artistic skills through demonstrations. The event was covered by a local television station and artists filled all available tables (with some tables accommodating two artists' work). There were beaded earrings, unique pottery, cornhusk dolls, miniature woven baskets, paintings, handmade soaps and lotions - a wide variety. The constant traffic throughout the day expanded the artists' customer base and helped them make connections. It also opened doors. Due to this event and networking, we are proud the Whole Foods in Asheville opened a Cherokee Women Artist display at their store for a limited time. Some of the artist-entrepreneurs also participated in the Cool Craft Holiday Market in December of 2014, sponsored by Handmade in America. We are so thrilled for these "culture carriers" of our Cherokee community!

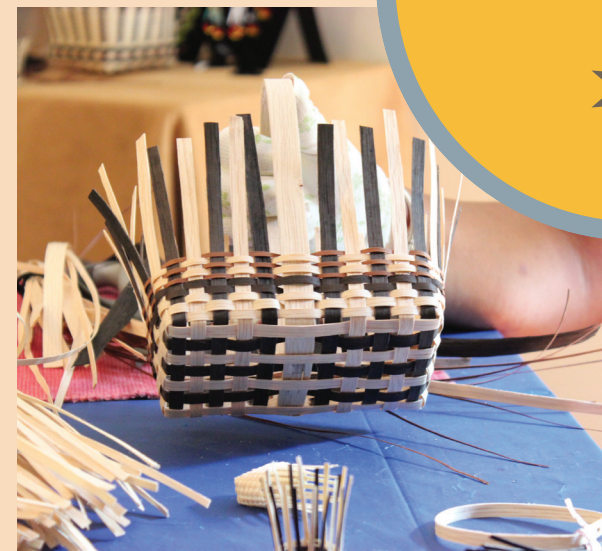
SOME OF OUR AUTHENTICALLY CHEROKEE ARTISTS:

- Betty Maney Gallery
- Bird's Beadwork
- Nativologie
- Peavine Studios - including work from Lisa Montelongo and Missy Crowe

Sequoyah Fund hopes everyone embraces this distinct and powerful brand, Authentically Cherokee.



Authentically Cherokee brand mark (above)
Authentically Cherokee artists and products (right)



SEQUOYAH FUND LENDING

THE FILLING STATION has become the favorite lunch spot of locals and visitors alike in Bryson City. Barry and Helene Tetrault started the restaurant a few years ago after moving Bryson City. When they are not slammed with orders, they will tell you about the automobile parts and accessories hanging on the wall or the vanity plates set under the glass of the dining area tables. You can find Barry sharing a story with visitors or catching up with regulars as he heaps fries into to-go bags. The couple's high energy and dedication have made the place one of Bryson City's most popular restaurants.

Sequoyah Fund recommends the High Test Cuban sandwich. The Cuban has the perfect mix of ham, pork, pickle, swiss, and mustard. It's a sandwich with a bite, a lunch you won't soon forget. With a mountain of fries on the side, it is also a great value for the price. If, by some miracle, you still have room for dessert, you can select from an array of specialty ice cream sandwiches now on offer. The friendly staff can serve you ice cream between two homemade cookies with dozens of possible combinations.

Last year Sequoyah Fund was able to partner with Helene and Barry to expand the size of their dining area. They renovated the entire space, refinished the floors, opened up several new tables, and set up the dessert bar. The project helped them with their number one problem, insufficient capacity for the flood of customers who can now get through the line more quickly. Sequoyah Fund is proud to help Helene and Barry, and we are excited to see what they will accomplish next.

country for events such as powwows, the American Indian Film Festival, and his own shows. He is a three-time hoop dancer world champion. In addition to dancing, they host storytelling and other cultural tourism events.

Sequoyah Fund is proud to support Deerclan Productions. As Daniel takes his business to new heights, we will be there to support him as we can. Sequoyah Fund has provided Deerclan with lending capital and customized business trainings training to develop skills throughout the organization. Daniel is a great ambassador for Cherokee businesses, and with the help of Sequoyah Fund, he is going to make sure Deerclan Production stays on top of its game.

Filling Station logo (below)
Deerclan Productions at work (image below)



DEERCLAN PRODUCTIONS

This year Daniel Trampler and his crew at Deerclan Productions were able to take a Cherokee work crew to America's biggest stage. They went to Arizona for the Super Bowl festivities and were involved in the construction and tear-down of a host of staging areas for the biggest week in sports.

Daniel is no stranger to big events. He has excelled as a director of stage assembly, an event manager, and as a performer himself. His crew is regularly involved in shows around Cherokee. They frequently set up stages for Harrah's special events. They also manage music festivals and other shows in the area. He regularly travels across the



The Filling Station expansion.



Our excited youth camp participants. Summer, 2014

IN THE NUMBERS

2014 LOAN DATA

- 8 HOME LOANS: **\$70,460.00**
- 18 BUSINESS LOANS: **\$1,061,700.00**

ACCOMPLISHMENTS

- LOAN DOLLARS: **\$14,001,809.44**
- NUMBER OF LOANS: **347 loans**
- JOBS:
 - **415 full time jobs created**
 - **1304 jobs maintained**

LOOKING FORWARD TO 2015:

We will remain focused on "Lending and Training for Small Businesses." That focus includes – MUST include – education and training for a new generation of business leaders. To that end, we will continue to strengthen: community creditworthiness through credit counseling and financial literacy; youth, by helping them understand money, savings, and investing; and future entrepreneur pipeline, through entrepreneurship camps and working in schools, where we assist in teaching and modeling entrepreneurial skills and values.

ADDITIONALLY, IN 2015, WE WILL: Seek more funding to accomplish our mission; strengthen relationships with lenders, educators, and community partners who can help us with outreach and impact; continue strengthening internal systems and processes to better serve clients and the community; and continue growing and positively impacting the Qualla Boundary and seven far-western counties of North Carolina we believe will be amazing.

STAFF

- Russ Seagle, Executive Director
- Sherrene Swayney, Portfolio Manager
- Hope Huskey, Director of Program Development
- John Ross, Special Projects Coordinator

BOARD OF DIRECTORS

- Ellison Rudd, President
- JL Burgess, Vice President
- Richard Sneed, Secretary
- Nathan Robinson
- Ray Rose



“ I want to thank Sequoyah Fund for providing the financing we needed to remain in business for the past 1½ to 2 years during some very difficult times for us...We employ 8 people full-time...and without the Sequoyah Fund’s help and assistance, we could not have remained in business. So, I can’t say enough good about how much I appreciate what y’all have done for us. ”

- Steve Whitmire, Owner. Ridgefield Farm & Brasstown Beef



ONABEN

SEQUOYAH FUND
LENDING AND TRAINING FOR BUSINESS OWNERS

This Annual Report is supported by a partnership with ONABEN and funding support from the Administration for Native Americans (ANA)

SEQUOYAH FUND

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