



20 Years 1998-2018



SEQUOYAH FUND
LENDING AND TRAINING FOR BUSINESS OWNERS

2018 Annual Report

20 Years!

Kananesgi Fashion Show, 2018

COVER:

Clockwise from top left: Mary Thompson, pottery; Bill Radford, Authentically Cherokee Marketplace, 2015; Hope Huskey, 40 Under 40 Awards, 2017; Native Pop, Cherokee Elementary School, 2017; Jeremy Wilson, photograph; Russ Seagle, OFN Circle of Honor Award, 2017; Aia Johnson, Youth Entrepreneurship Camp, 2017; The Martin Family, 2009

THIS PAGE:

David, Mary, and Shay Thompson



Letter From Russ

1998 was quite an interesting year. The U.S. President was impeached, the Yankees took the World Series, the Unabomber received a life sentence, “Titanic” became the biggest Hollywood blockbuster of all time, “Seinfeld” came to an end, Frank Sinatra died, and 77-year-old former astronaut and U.S. Senator John Glenn went back into space aboard the Shuttle Discovery.

Twenty years later, there’s still plenty of political turmoil to keep our attention, the Yankees are still a perennial power, heinous crime still dominates the headlines, “Titanic” is still in the news (mainly as the standard other films attempt to topple), “Seinfeld” is still on the air, Sinatra’s music is as popular as ever, and while the shuttle program ended, we still dream of reaching for the stars. It seems the more things change, the more they stay the same.

1998 was also the year Sequoyah Fund was born. A group of visionaries formed an organization to help grow small businesses in Cherokee as a way of creating economic opportunity on and around the Qualla Boundary. While we would not become a CDFI (Community Development Finance Institution) until 2007, a young Sequoyah Fund would begin strong and grow fast by making a number of small loans to businesses that would create jobs and grow the economy.

Many of the businesses that started over the last twenty years are no longer here. That’s the nature of small business start-ups. Others have sprung up in their place, providing goods and services to tribal, federal and state governments, the casino, other businesses, locals, and tourists. These businesses make homes sturdier and more beautiful. They create delicious dining experiences. They sell uniforms to first responders. They provide support services, personal services, medical and dental services, and business services. They feed the families of their owners and employees, and they provide income to their suppliers and vendors. They take a dollar and move it through this community up to seven times, creating more wealth and opportunity along the way.

Our staff photos on page 23 show that our staff has grown up and grown older. What’s less noticeable is the maturity Sequoyah Fund has gained as an organization. We love working with clients and making loans, but along the way we’ve also built an organization strong enough to weather the next twenty years and beyond. Start-ups lie awake at night worrying about cash flow, getting customers, and paying the bills. More mature organizations lie awake worrying about things like data breaches, adequate insurance, organizational structure, succession planning, and long-term strategy.

We long ago moved past our own start-up phase, but we like to think and act like a young start-up. This attitude gives us a unique connection to our clients and their needs. It helps us better see their vision and craft solutions to their problems. Keeping that start-up spirit gives us energy, and it also gives us optimism. We are supremely optimistic about the future of the Cherokee economy and that of western North Carolina. We believe entrepreneurship is a learnable set of skills that can unleash vast creative power, economic opportunity, and societal benefit.

I think the greatest thing we’ve achieved over the last twenty years is an ability to learn and adapt to changing conditions and needs. We continue to look for opportunities to create value for our clients, organizations with which we partner, and other stakeholders. We continue to challenge ourselves to develop financial products, services, and programs to improve people’s lives and their economic condition. Just like a young start-up, we don’t get much sleep. Heck, it’s hard to sleep when every night you get excited about getting up the next morning to do what you love. Like the entrepreneurs we serve, we look forward to another twenty years of sleepless nights!

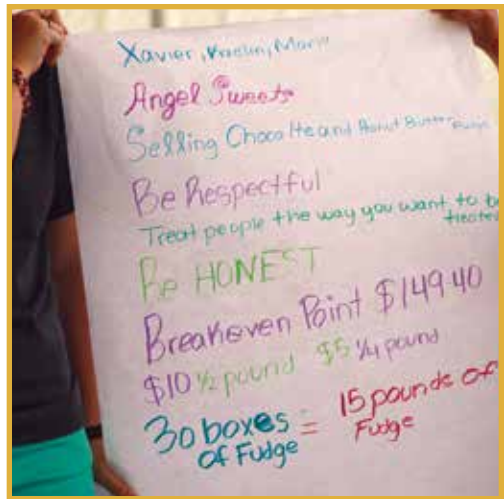
Warmest regards,

Russ



THIS PAGE, LEFT TO RIGHT:
 CYC Kituwah Coffee Sales, 2016;
 Sew Tsalagi, 2018; RJ Radford,
 Authentically Cherokee Art
 Marketplace, 2016

NEXT PAGE: (left to right) Betty
 Maney, Kanasegi Pottery Festi-
 val, 2018; Crowe's Quality Pro-
 ducts (Tunney and Sarah Crowe,
 Owners); Native Pop Live Action
 Animation Workshop, Cherokee
 High School, 2017; Native Clans
 Designs, Nick Garcia (owner);
 Daniel Trumper, MED Week
 Awards 2011; John McCoy, Smoky
 Mountain Trout Farms, 2017;
 Youth Entrepreneurship Camp,
 2017; Youth Entrepreneurship
 Camp, 2017; Richard Sneed, Auto
 Shop Class, 2013; Russ,
 RES Conference, 2017; Chief
 Joyce Dugan; Tara McCoy,
 Kanasegi Pottery Festival, 2018;
 Corey Coggins, The Mansion,
 2015; Betty Maney, Beadwork;
 Jody Bradley, Legend Weaver Stu-
 dios, Authentically Cherokee Art
 Market, 2016



New Client Spotlight: MAD Meal Preps



Matt Bryant has always wanted to own his own business. The owner of MAD Meal Preps, Matt started his business after getting requests to make meals for people after his own success at meal planning. His pre-packaged meals were between 500-800 calories and were helping both Matt and his girlfriend Dana to lose weight. Coupled with the convenience factor of not having to worry about lunch, the meals were the envy of their co-workers at Harrah's Cherokee Casino.

After his initial success at serving his coworkers, Matt decided to quit his job and work on meal planning full time. He spent about \$5,000 of his savings and purchased some used equipment including a storage refrigerator and rice cooker. For a while he cooked out of his house but realized in order to be a legitimate business he would have to find a location. He also knew to grow he would require extra equipment.

Matt approached Sequoyah Fund in 2018 for a vehicle for the business. At

While he cooks, Matt likes to listen to Podcasts.

- His favorites:*
- *The Joe Rogan Experience*
 - *Armchair Expert*
 - *Serial*

ABOVE:
Matt Bryant and Dana Crisp, owners.

They can be found at: <https://www.facebook.com/groups/534972296712823/>

the time he was doing a couple hundred meals per week. He had found a new location, a 200 square foot building, large enough to cook, prep, store food inside, and smoke meat outside. Matt's request was approved by Sequoyah Fund and soon after he received a contract with Swain County Meals on Wheels to provide meals to their customers. Weekly orders shot up to over 550.

Matt will tell you a business is a learning process. As he expands his menu offerings he learns what works well and what doesn't. He has also found a sweet spot for the number of meals he makes each week while keeping his product high quality and consistent.

Balance is also important to Matt. He wanted to own his own business to be more creative and to work better hours. So it's important to Matt to create new meals weekly and to not take on too much so he maintains that balance.





THIS PAGE: Mary Thompson teaching Cherokee High School students how to break down rivercane, 2018

Mary Thompson is a veteran of the United States Air Force, 4-time Tribal Councilwoman for the Big Cove community, and small business owner. Her businesses have included the family campground, ice cream shop, interior design company, Thompson Cleaning and Lawn Services, Cherokee Baskets and Vessels, and Revitalizing Traditional Cherokee Foods and Delicacies.

Business Owner for 20 Years

Veteran Client Spotlight: Mary Thompson



Mary Thompson has owned 6 small businesses. A serial entrepreneur, she is also one of the first recipients of a Sequoyah Fund loan. Back then we were the Eastern Band of Cherokee Indians Community Development Corporation. Still years away from becoming a Native CDFI, the organization that would become Sequoyah Fund had funded around 5 businesses when Mary came in looking to start her 3rd business.

She used the borrowed funds to buy supplies for a cleaning business that she saw a need for. According to Mary it was the easiest business she has started and was also the most lucrative. She had jobs in Cherokee and around the region as far away as Asheville and Brevard. The work was there, but Mary had a hard time finding employees and closed the business after 3 years. She would go on to start 3 more businesses including her current enterprise, Cherokee Baskets and Vessels.

So what's changed in the Cherokee business world in the past 20 years? According to Mary it's money. 20 years ago there was a lot less to be made. With the expansion of Harrah's Cherokee Casino, more and more opportunity has moved into the community. This, Mary explains, has its benefits and downfalls. There are more businesses to start and more opportunity for

them to succeed but there is also more competition and not just from local businesses. Larger enterprises have come to town to satisfy the need leaving the smaller businesses out of big contracts. But community members now have more money, and this is good for Mary who appreciates that she can make a living doing what she loves, making traditional Cherokee baskets and pottery.

Mary is thankful there are more resources now than there were 20 years ago, and she says that is because of organizations like Sequoyah Fund. Mary says it saves time for her to go to Sequoyah Fund to find out about resources rather than spend the day looking for the help she needs. What would she like to see in the next 20 years? More services like insurance available to business owners, more education for elders in fields like technology, and of course lower interest rates.

Find Mary's work on authenticallycherokee.com or at Qualla Arts and Crafts Cooperative. Her new shop, Cherokee Baskets and Vessels will be open soon.

"In the military they tell you what to do and you do it. When you own a small business you know what you are supposed to do you just have to find the motivation to make it happen."

THIS PAGE:
Mary Thompson

Mary can be found at: <https://www.facebook.com/TraditionalCherokeeNC/>



THIS PAGE (left to right)

**Antonio Grant, Shell Carvings;
Xavier Sanchez, Youth
Entrepreneurship Camp 2018;
Shannon Swimmer, Kanasesgi
Fashion Show, 2018**



Program Updates

AUTHENTICALLY CHEROKEE

We believe in the business of art and the ability of Cherokee artists to grow our creative economy. In 2018, we continued to run authenticallycherokee.com and also brought commerce to Cherokee through three new art events.

The Kanasesgi Pottery Festival celebrated one of Cherokee's first art forms, pottery. EBCI potters gathered together to sell, demonstrate, and share their work. They talked with one another during a potters only round table where they discussed the state of Cherokee pottery, how to revitalize the art, and the feasibility of digging clay.

The Kanasesgi Fashion Show was a first of its kind event featuring EBCI designed fabric and clothing. Over 40 artists and youth participated in creating their own custom fabric and making it into contemporary and traditional clothing. The event also featured a marketplace for other clothing and jewelry makers.

The Kanasesgi Basket and Carving Festival brought together two of the most popular Cherokee art forms- basket making and carving. Together these artists showcased their skills, sold their work, and networked with one another.

The three events were funded by Cherokee Preservation Foundation and in partnership with the Ray Kinsland Leadership Institute. In addition to

providing a sales event for the artists the events gave them business skills and assistance, including development of marketing collateral and table set-up advice.

KITUWAH SAVINGS

The students at Kituwah Academy are still saving. With over \$20,000 in their accounts, they are learning how to plan for the future, to set money aside, and about a little thing called interest.

This year the program was funded by a grant from the Oklahoma Native Assets Coalition (ONAC).

FINANCIAL WELLNESS

Keeping your financial health a priority is important for everyone, not just entrepreneurs. In 2018, we continued our community wide credit counseling, continued to work with TANF helping their clients with per capita budgeting, and started planning for our new Credit Repair loan program to help individuals be more proactive in building their credit.



COMMUNITY CELEBRATION

As the recipient of the 2017 Circle of Honor Award, Sequoyah Fund was awarded \$10,000 from Oweesta First Nations. We shared our win with the community by hosting a community celebration at Unto These Hills and invited all our business friends and family to celebrate.

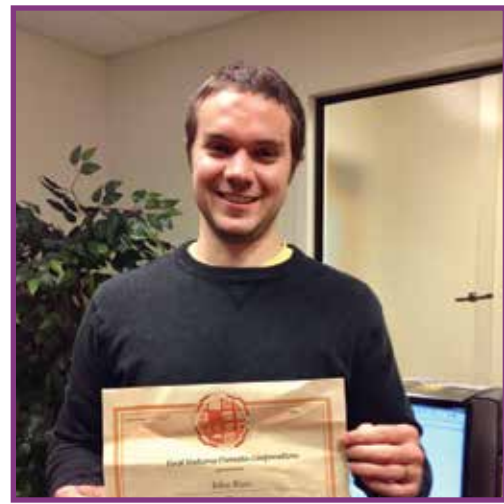
20TH BIRTHDAY PARTY

You only turn 20 once!
 We decided to do it with cake. Lots of cake. We invited home bakers and professionals to submit cakes for our 20th Birthday Cake-Off. Guests then “voted” with cash on their favorites. All funds raised went to the Cherokee Children’s Home.



LEFT PAGE (clockwise from top) Sequoyah Fund 20th Birthday Party; Sequoyah Fund Community Celebration; Missy Reed and Russ Seagle, 20th Birthday Party

THIS PAGE: Kyree Bigwitch, Kananegsi Basket and Carving Festival, 2018



20 Years



LEFT PAGE (left to right) John Ross, Sequoyah Fund Risk Manager, 2012-2015; Merchandising Class, 2008; Authentically Cherokee Booth, 2018; Gloria Griffin, 2009; Hope Huskey, 2009; Kituwah Savings Ice Cream Party, 2013. Tonya Carroll and Tara McCoy, Community Celebration 2018; Authentically Cherokee merchandise at

Harrah's Cherokee Casino and Hotel, 2015; Michael Bruce, Sequoyah Fund Controller, 2015-2016; Chris James & Hope Huskey, Alaska, 2008; Cellphone Image; MED Week Awards, 2009; Russ Seagle, Loan Closing, 2009; Russ Seagle and Jacob Reed, Savannah, GA, 2011; Kananesgi Basket and Carving Festival, 2018. THIS PAGE.

Nellie Taylor purchasing TuYa Cafe, 2014; Euros Image; Nancy Martin, 2009; The Filling Station, 2017; Daniel Trampler, 2010 MED Week Awards; Sabrina Arch, 2016; Sequoyah Fund Board members Nathan Robinson, Ellison Rudd, and JL Burgess accept USDA grant check, 2008; Ray Rose, Youth Entrepreneurship Camp guest speaker, 2013.



LEFT PAGE:
(clockwise from top left) Joel Queen, Authentically Cherokee Art Market, 2014; Mary Thompson, beadwork; Youth Entrepreneurship Camp, 2017

THIS PAGE: Charla Crowe, 2009

Taking A Look At The Years

20 Years

1998 2005
1999 2006
2000 2007
2001 2008
2002 2009
2003 2010 2011
2004 2005

Cherokee in 1998

After its first full year in operation, Harrah's Cherokee Casino's annual revenue was \$56,446.

Principal Chief- Joyce Dugan

IN 1998
Gaming Income: \$56,446,000
Per Capita \$2,520
Enrollment approximately 12,000

1998 Notable Events

EVENTS
Bill Clinton denies he had "sexual relations" with former White House intern Monica Lewinsky. He is Impeached for perjury and obstruction of justice.

The Winter Olympic Games are held in Nagano, Japan. These games saw the introduction of snowboarding and women's ice hockey as new sports, along with the re-introduction of curling.

US Announces first budget surplus in 30 years

The Search Engine Google is founded.

Apple Computer unveils the iMac.

The two oil companies Exxon and Mobil merge to create the world's largest petroleum company

New harder to counterfeit \$20.00 bills enter circulation

Windows 98 released by Microsoft on June 26th

The World

1998 vs. 2018

	1998	2018
Federal Reserve Interest Rate	8.25%	2.50%
Interest Rates Year End		
Average Cost of New House	129,300.00	\$383,500
Yearly US Inflation Rate	1.55%	1.9%
Median Income Per Year	38,100	\$61,822
Average Monthly Rent	\$619.00	\$1,405
Cost of a gallon of Gas	\$1.15	\$2.72
Average Cost of New Car	\$17,200.00	\$36,270
US Postage Stamp	\$0.32	\$0.50
Loaf of Bread	\$1.26	\$2.50
Dozen Eggs	\$0.88	\$1.76

POPULAR FILMS

- Armageddon
- Titanic- Best Picture OSCAR
- Saving Private Ryan
- Godzilla
- A Bug's Life
- Deep Impact
- Dr. Dolittle
- Shakespeare in Love
- Lethal Weapon 4

POPULAR MUSICIANS

- Céline Dion
- Madonna
- Chumbawamba
- Marilyn Manson
- Green Day
- Metallica
- The Offspring
- Spice Girls
- Aerosmith

POPULAR TV

- X Files
- Chicago Hope
- ER
- Law & Order
- NYPD Blue
- Ally McBeal
- Frasier
- Friends
- Seinfeld

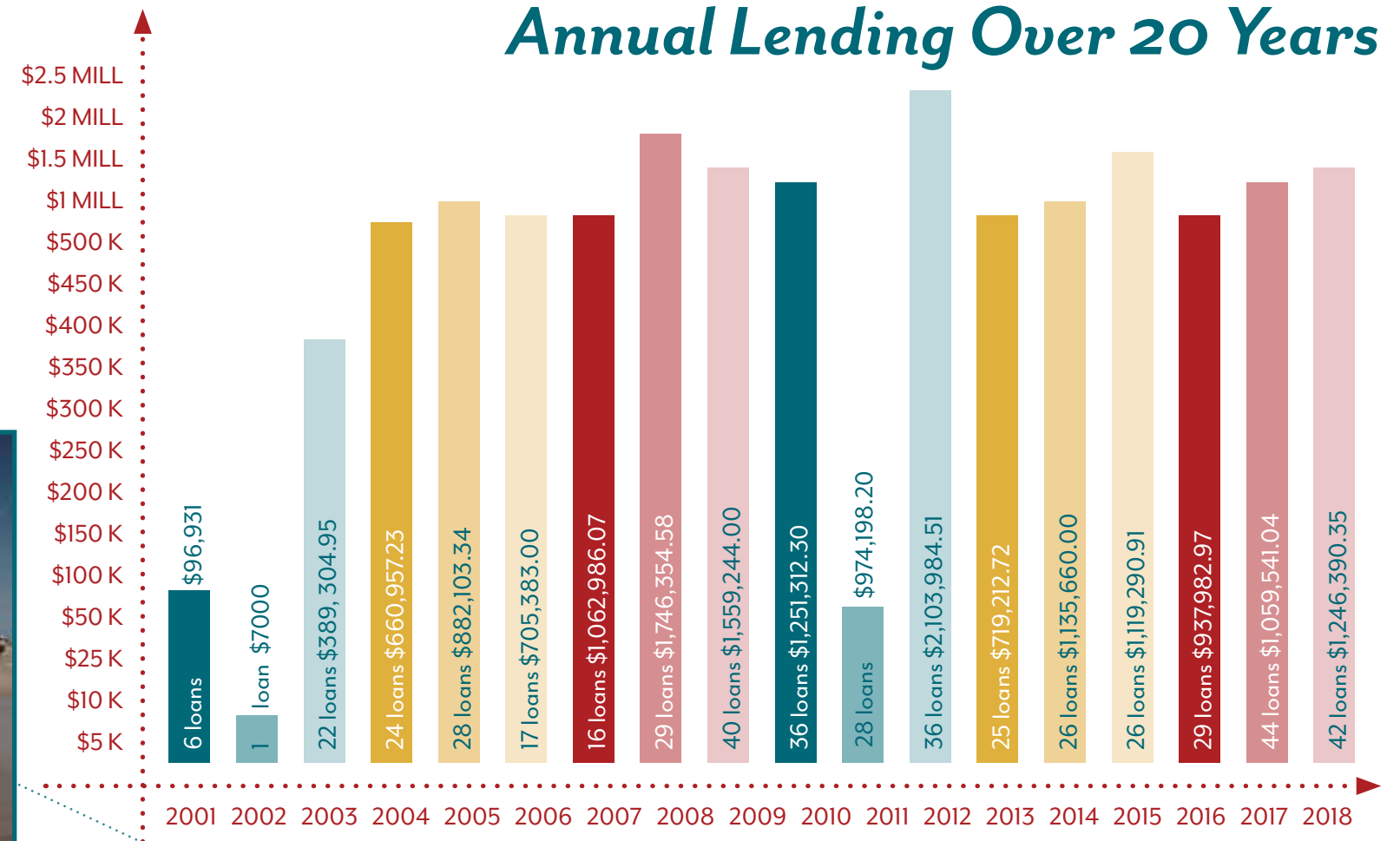


Lauren Hill- Grammy Album of the Year: The Miseducation of Lauren Hill

Our Staff in 1998



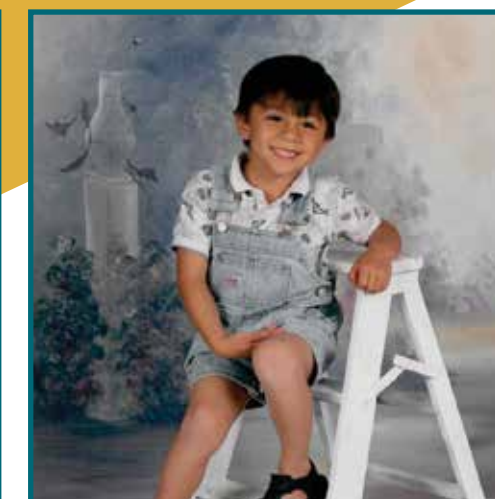
Faith Ann Long -- 7 lbs. 2 oz. (L)
Jacob Roland Long -- 6 lbs. 5 oz. (R)
9-18-98



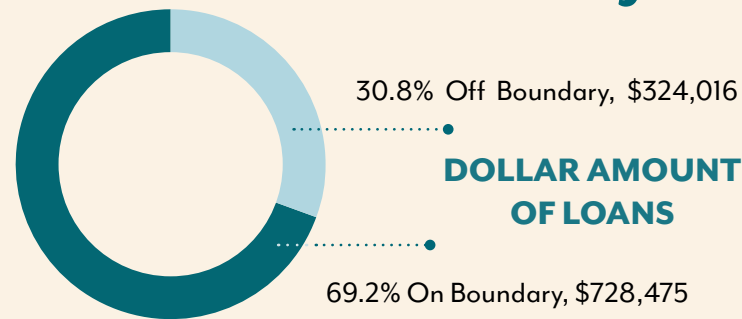
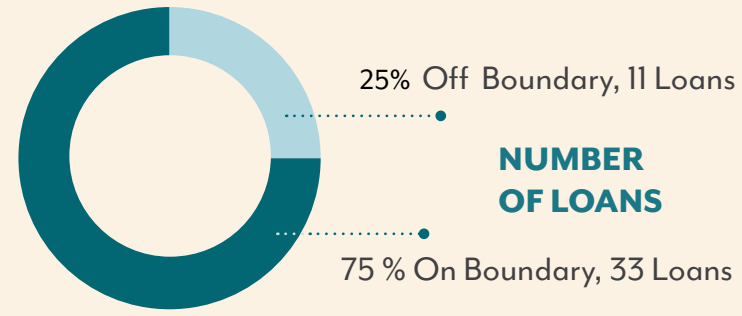
Lending Data Totals

2018: 44 LOANS FOR \$1,252,490.35
HISTORICAL LENDING AS OF 2018:
490 LOANS- \$17,725,812.97

THIS PAGE (from top to bottom) Russ & Daughters, 1998; Hope & Madison, 1998; Faith & Jacob, 1998; Melanie Johnson, 1998; Dorian Walkingstick, 1998



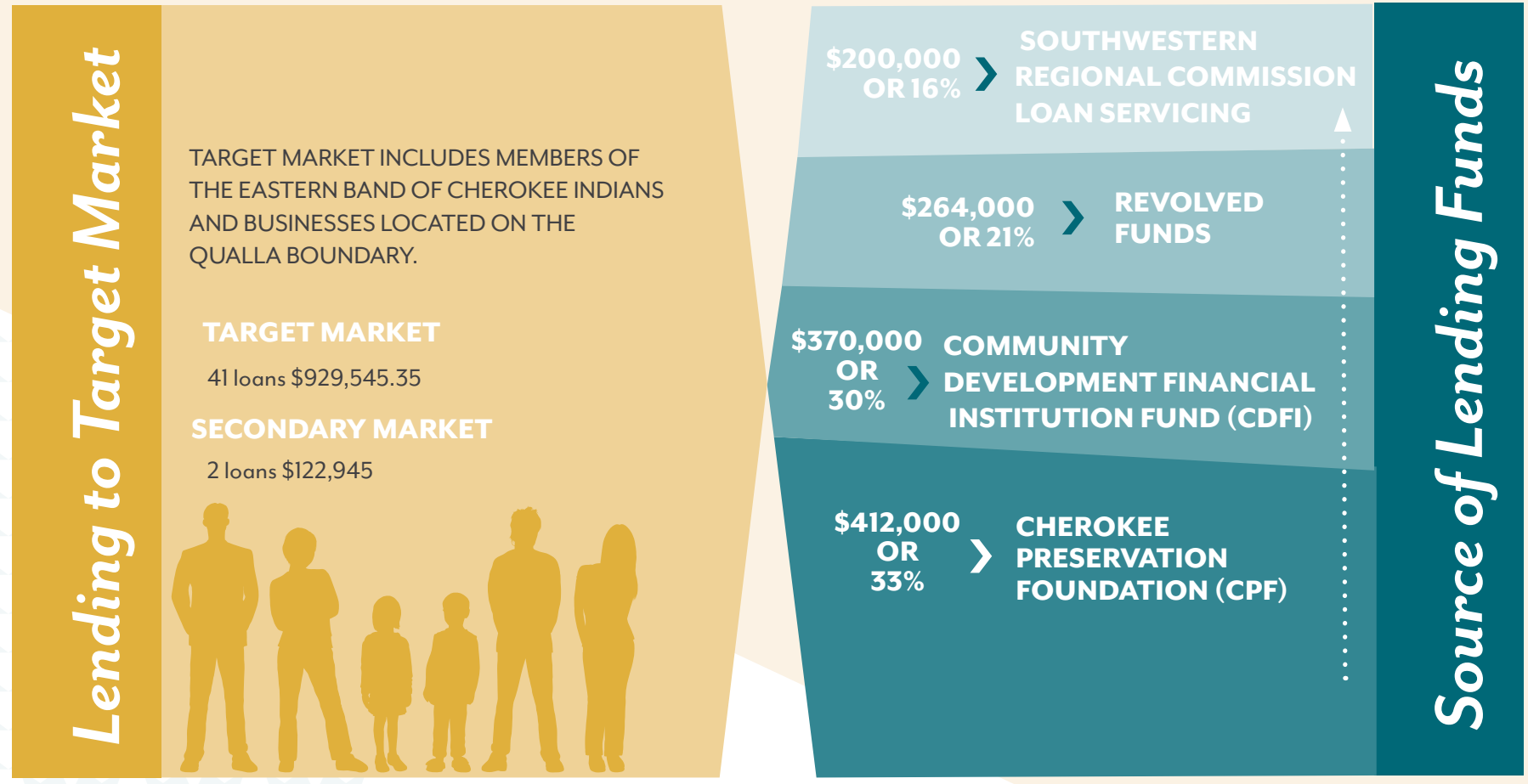
2018 Lending Report



Location of Lending



- ◆ **11 HOUSING LOANS: \$143,776.83**
- ◆ **12 START UP LOANS: \$468,500.00**
- ◆ **20 SMALL BUSINESS LOANS: \$440,213.52**
- ◆ **1 NON PROFIT LOAN: \$200,000**



Financials

THE SEQUOYAH FUND, INC.
Statements of Financial Position December 31, 2018 and 2017

ASSETS	2018	2017
CURRENT ASSETS:		
Cash And Equivalents:	\$ 2,752,269	\$ 2,264,608
Loans Receivable, Current Portion	\$ 731,571	\$ 777,511
Grants Receivable:	\$ 7,000	
Other Receivables:	\$ 65,523	\$ 115,643
Other Current Assets:	\$ 2,050	\$ 2,050
Total Current Assets:	\$ 3,558,413	\$ 3,159,812
Property and Equipment:	\$ 15,591	\$ 17,032
Intangible Assets:	\$ 9,461	\$ 10,916
Loans Receivable, Net of Current Portion:	\$ 3,667,752	\$ 3,474,383
Total Assets:	\$ 7,251,217	\$ 6,662,143
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current Maturities of Notes Payable:	\$ 40,010	\$ 39,614
Accounts Payable:	\$ 46,988	\$ 78,994
Payroll Liabilities:	\$ 52,232	\$ 45,135
Total Current Liabilities:	\$ 139,230	\$ 163,743
Notes Payable, Net Of Current Maturities:	\$ 835,603	\$ 875,613
Total Liabilities:	\$ 974,833	\$ 1,039,356
NET ASSETS		
Without Donor Restrictions:	\$ 4,170,014	\$ 4,626,500
With Donor Restrictions:	\$ 2,106,370	\$ 996,287
Total Net Assets:	\$ 6,276,384	\$ 5,622,787
Total Liabilities And Net Assets:	\$ 7,251,217	\$ 6,662,143

Looking Ahead

Celebrating our twentieth anniversary in September 2018 gave us the opportunity to examine how far we've come. In 1960 it took 35 years to replace 35% of the Fortune 500. By the time Sequoyah Fund was born in 1998, it took only 3 to 4 years to do so!

We've learned a lot over the last twenty years. Our board and staff have grown, our systems and processes provide the infrastructure necessary for future growth, and our clients continue to amaze us with their creativity, drive, and determination. Celebrating our twentieth anniversary in September 2018 gave us the opportunity to examine how far we've come. It also has spurred thoughts and discussions on how far we still have to go.

In 1960 it took 35 years to replace 35% of the Fortune 500. By the time Sequoyah Fund was born in 1998, it took only 3 to 4 years to do so! The pace of change is faster than ever, so we must adapt to keep pace with trends in technology, customer demands, and the financial regulatory environment. Right now, our clients need us to serve as trusted advisors and provide innovative financial services. They need good internet access, fast answers, and a sounding board for their ideas. We can only imagine what clients will need twenty years from now.

Each year in this segment, I look forward to what the next year may bring. I write about initiatives we're taking, products we'll be introducing, and challenges we may be facing. This year I have license to look as far as the next two decades. What will Sequoyah Fund look like then?

No doubt we'll be making loans, but they may be more for technology and creative development than for furniture, fixtures, and equipment. Uber and Lyft disrupted the transportation industry, and Airbnb disrupted the hospitality industry. We can only speculate at what industries will be disrupted in the decades to come. Perhaps services we take for granted will be up-ended. Fast food delivery subscriptions? Car vending machines? Personal projectors for mobile phones that make televisions obsolete? Pants that will fit me as well after Christmas as they do before Thanksgiving? Who knows?

As I mentioned in my letter on page 3, we are supremely optimistic that whatever our clients need, we will be able to deliver. We believe the children attending our summer entrepreneurship camps today will be the tribal leaders, innovators, entrepreneurs, and employers of the future. We believe many of the businesses existing today will be around for decades to come. We even believe some of the businesses we funded in our early years will be around to welcome another generation of business owners. And we believe that business ownership will still be the best avenue for creating economic opportunity and achieving your dreams.

Special Thanks

Eastern Band of Cherokee Indians
Cherokee Preservation Foundation
CDFI Fund
Enterprise Development Center, EBCI Division of Commerce
USDA, Rural Development Programs
Small Business Administration
Cherokee Central Schools & Chief Joyce Dugan Cultural Arts Center
Kituwah Academy & Cherokee Speakers Group
Qualla Arts and Crafts Cooperative
Museum of the Cherokee Indian
Cherokee Cooperative Extension & 4-H
First Nations Oweesta
First Citizens Bank
Cherokee Boys Club & Ray Kinsland Leadership Institute
The National Center for American Indian Enterprise Development
Cherokee Tribal TANF
Southwestern Planning Commission
Western Carolina University
Bardo Arts Center
WNC EdNet
Indian Arts and Crafts Board
USET
ONABEN
OnTrack
Lockheed Martin
Southwestern Community College Small Business Center
Haywood Community College Small Business Center
Native CDFI Network
Consortium for Entrepreneurship Education (Entre-Ed)
Service Corps of Retired Executives (SCORE)
Yellowhill Activity Center



TOP:
**Sequoyah Fund Christmas Party,
2018**

OUR STAFF AND BOARD:
**2018 Sequoyah Fund Staff
and Board: (left to right standing)
Brad Letts, Yona Wade, Nathan
Robinson, JL Burgess, Richard
Sneed, Nancy Martin, Russ
Seagle, Dorian Walkingstick,
Melanie Johnson, Hope Huskey**



Contact

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