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Thomas Jass, AFM

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Allan Husby, ARA

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Jack Davis

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Brian Gatzke

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Ron Rucker

Directors:
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Geoff Oliver, ARA

Paul T. Sickler, AFM

Committee Chairs:
Membership
Ted Risty

East River Breakfast
Scott Heimes

West River Breakfast
Perry Beguin

SDSU Relationships
Paul T. Reisch, ARA

Assessors Conference
Charles Doom

Education Foundation
Geoff Oliver, ARA

Government Relations
Ron Rucker

Technology
Allan Husby, ARA

Education
Jim Hollenbeck

Mentor
Ron Ens, ARA

Social
Craig Sommers/
Ron Rossknecht

Appraisal Review & Ethics
Jerald A. Hulm, ARA

Scholarship Fundraising
Brian Gatzke

Newsletter Editor:
Paul Reisch, ARA

www.asfmra-sd.com

SOUTH DAKOTA CHAPTER
AMERICAN SOCIETY OF FARM MANAGERS & RURAL APPRAISERS

1/09



*Empowering Our Members' Ability to Succeed
in Their Rural & Agriculturally Related Professions!*

DATE STORE MEMBER!

March 6 - East River Breakfast Meeting (9 A.M.)
Sioux Falls Roll 'N Pin Restaurant

March 12 - West River Breakfast Meeting (9 A.M.)
Rapid City Marlin's Roadhouse Grill

May 7 - Chapter Board Meeting -- Brookings

May 8 - SDSU Breakfast Meeting -- Brookings

May 21 - State Assessors Conference Banquet - Water town

June 15-19 - 2009 National Summer Education Week - Des Moines, IA

July 18-25 - International Farm Management Conference in Bloomington,
Illinois hosted by Illinois ASFMRA with the endorsement of the ASFMRA
Find out details at www.ifma17.org.

October 7-9 - South Dakota-Wyoming Educational Office - Deadwood

October 25-31 - ASFMRA National Meeting - Denver

2010

January 20-22 - Winter Education & Joint Meeting W/PA ASD - Chamberlain

PRESIDENT'S MESSAGE

Wow! After waiting for sometime, with a degree of trepidation, my time to serve as your President has arrived. I'd first like to reiterate a couple of things I mentioned at the Annual Meeting for those who could not attend.

I know you all expect leadership from this Chapter position. I do hope to provide that to the best of my ability. I also see this position as one of Service and I look forward to the challenges and Success's ahead of us.

In reflecting a bit on our chapter mission statement that appears at the top of this newsletter every month, I'm caught on the concept that our chapter is all about "the members". In practice that comes about both in terms of leadership from the officers and board as well as participation and sharing of ideas by the members. A great example just occurred at our Annual Meeting with the excellent attendance at our winter education classes and in exceeding our goal of \$20,000 in the SDSU Scholarship fund. Well done Members!

I want to make it clear that as your President I want to be very open. Please share your thoughts, ideas and insights as they happen. Having served on the board for several years I know that the board wants your input. Please feel free to contact any of us and share whatever you have to offer.

As I write this, we have Members at work for us in Pierre. Our lobbyist, Jim Dunlap, may be addressing a hearing right now on our behalf. Way to go Jim! I also expect that other members are also attending to lend support, as well as members of the Advisory Council. A Chapter at work!

Continued

PRESIDENT'S MESSAGE CONTINUED

More good news! The instructor of our Appraising Rural Residential and Part-Time Farm Properties class last week in Mitchell, donated back \$500 of his gesture. Allan has sent a Thank You from all of us.

is instructor fee to our chapter. What a nice .

I would also like to announce that member Paul Reisch will again make an April presentation to the Appraisal class at SDSU. As he has done for past profession, linkage between farm appraisals and farmlending, role of appraisal division in FCS, technology changes and trends in appraisal. I'm encouraged by this development and like the idea of men students not only being exposed to the book learnin g side, but also some real world insights from a practicing appraiser.

er/

Please also keep your sights on our fall education calendar. This is spearheaded by member Loy Matthews. Jim Hollenbeck will also soon be involved.

offering as noted on this month's front page s. I'm sure our new Education committee chair

Hey, "we can do this stuff"!

NEWSLETTER EDITOR AGAIN SEEKS FUTURE MEMBER ARTICLE S-by Paul Reisch

In May of 2008 I requested that members help the newsletter sustain a personal touch of sharing experiences and knowledge with members through the newsletter by writing and sending articles tome.

newsletter by writing and sending articles

Several members have done so since, and I thank the times since that request, I do not have any articles in the hopper for future newsletters. Please consider sharing your experiences with other chapter members .

m for their support of the newsletter. For the first der

Some ideas of items you could share with the membership include:

ship include:

- 10 Favorite Websites (less number acceptable)
- Technology Tips
- Recent Interesting Memorable Experience—Personal or Professional
- Good Story—Fictional or Actual From Your Experience
- Recent Educational Experience
- National Organization Happening/Experience
- Memorable Family Event/Memory

This has been fun and educational for all. However, submitting articles to me. I usually put the newsletter includes something in the month submitted or the following month. When you have something ready, just e-mail it to me.

it will only continue if you the members continue t together the last half of the month so could lowing month. When you have something ready,

CHAPTER EXCEEDS \$20,000 A CORN SCHOLARSHIP FUND GOAL !!!

At the annual meeting in Mitchell this past week, successful fundraisers resulted in the chapter exceeding the \$20,000 goal 17 months ahead of schedule!!

When the first \$10,000 was raised in 2004/early 2005, the longerrange goal was to raise the fund to \$20,000 by July 1, 2010. At the November 2008 board meeting, the board set achieving the July 1, 2010 goal as a priority. A plan was outlined to achieve this through fundraisers at January Mitchell meeting, October Deadwood meeting, and \$500 annually from the chapter budget.

A chapter member donated the Harvey Dunn Grassland framed print of a wagon on the prairie. This acquisition was in cooperation with Tom Tornow of Madison USF&W office to promote Grassland conservation programs in Brookings and Kingsbury County. The print is a \$400 value, donated for use as a scholarship fundraiser.



These \$10 raffle tickets were very popular at the Mitchell meeting with chapter members, PAASD members, and others buying tickets generating **\$1,250 in sales**. The drawing for the raffle was held at noon on Friday with Chuck Bosch the lucky winner.

Chances were also sold at the Winter Meeting in Mitchell for the Super Bowl pool. For \$10, a person has 2 chances to win \$100, eight chances to win \$20, and eight chances to win \$10. The board was sold out and will **net \$560 for the scholarship fund**. The Super Bowl winners will be decided upon the outcome of the game and proceeds will be mailed to the winners. Winners will be announced in next month's newsletter.

At the Thursday night membership meeting, the above efforts were explained by Scholarship Fundraising Chair Brian Gatzke. Member Jerry Hulm then announced that he would donate \$1,000 to the fund if the efforts could match that donation, which they did!! Jerry's generous **\$1,000 donation combined with the raffle sales and Super Bowl pool net result in a combined \$2,860 raising the fund to \$20,511.**

Of course as time goes on, the fund needs to continue to grow so the income generated from the fund can address inflationary increases in education expenses. The chapter plans to continue the annual \$500 donation in chapter budget.

Each year chapter members will also be encouraged to consider a scholarship donation in one of the following ways:

- a one-time donation
- annual contributions pledging so many dollars per year
- a estate planning tool for scholarship programs.

Thank you to all who supported the fundraisers and a very special thank you to Jerry Hulm. This support means that Scholarship Fundraising Committee future efforts can have the Kjerstad Memorial Chapter Scholarship Fund as the priority.

GOOD TURNOUT FOR MITCHELLE EDUCATIONAL OFFERINGS!

Chapters sponsored education offerings last Thursday and Friday all had good attendance and were well received. Thirty three chapter members attended at least one of the chapters sponsored offerings.

On Thursday, 51 appraisers were attendance for the Rural Residential and Part-Time Farm Properties ASF MRA Education Seminar: Appraising - W. David Snook Instructor.

This course was designed to aid appraisers in all areas of appraisal practice who are seeking updated competency in this area. Course objectives:

- o Instruct appraisers how to handle property appraisal assignments for Farmer Mac.
- o Become aware of the secondary mortgage market need for appraisers in this field.
- o Understand how to help your clients with the 6 and 10 acre plus type properties.



David Snook provided those in attendance with insight on how to address these properties differently, with agricultural appraisers needing to put more emphasis on residential appraisers needing to put more emphasis on site and outbuilding valuation. One chapter member attendee considered David one of the best instructors he has had for a seminar and emphasized his ability to provide attendees a good refresher of the basics of appraisal analysis.

On Friday Morning, over 100 people were in attendance for the first offering of the PAASD/ ASF MRA Education Seminar: Supervisor Program Course- Craig Steinley Instructor



This course must be taken to supervise a state-registered appraiser and is also required for all state-registered appraisers. There is no "grandfather" clause.

This class is mandatory for all state-licensed, state-certified residential, or state-certified general appraisers who wish to supervise after January 1, 2009.

State-Registered Appraisers need to have registration of supervisor reported to the state in order to obtain appraisal experience credit for an assignment requiring a supervisor.

Seminar Objectives:

- Learn South Laws and Administrative Rules as they apply to State Registered and Supervising Appraisers.
- Understand the Mission and Structure of the Appraiser Certification program.
- Understand the History of the South Dakota Supervisor Program.
- Understand the Scope of Practice and Responsibilities of a State Registered Appraiser.
- Understand the Responsibilities of a Supervising Appraiser.
- Learn What Supervising Appraisers and State Registered Appraisers Need to Know.

Continued

MITCHELLE EDUCATIONAL OFFERINGS CONTINUED

On Friday Afternoon January 23rd, 46 appraisers were in attendance for the ASFMR Educational Seminar on the 2008 Farm Bill and NRCS Web Soil Survey Website.

Paul Hanson, State Supervisor of the Farm Programs, provided information on the ACRE (Average Crop Revenue Election) Program and the changes in program limitations and attribution rules.

Allan Husby demonstrated the NRCS Web Soil Survey Website. This process is more cumbersome than Agri-Data but the advantages include free program, provide grazing capacity ratings, and up to date imagery.

Financial results from the offerings will be even better than projected on the winter education budget shown on page 12 because of attendance numbers over projection, David Snook instructor expense \$570 less than projected, and **Mr. Snook donated \$500 of his fee back to the chapter!!**



CHAPTERS SUPPORTS LEGISLATION

The 'Appraiser Independence' legislation from 2008 has been split into three different bills.

- **HB 1124 – An Act to prohibit improper influence regarding real estate appraisals.**
Offered by PAASD and the ASFMR
- **HB 1095 – An Act to include the improper influence of a real estate appraisal by a professional conduct.**
Offered by the SDA Association of REALTORS
- **HB 1028 – An Act to revise certain provisions regarding the regulation of real estate appraisers and the conditions upon which a penalty may be imposed on a real estate appraiser.**
Offered by the Department of Revenue and Regulation

You can see the bills and track their progress on the state website:
<http://legis.state.sd.us/sessions/2009/QuickFind.aspx>

Barry Wilfahrthas again been employed as a lobbyist to work together **HB 1124** bill passed.

The *Appraiser Independence* legislation – HB 1124 – will be heard by the House Commerce Committee on Friday, January 30, 2009 at 10 am at the State Capitol in Pierre. Jim Dunlap will be representing the chapter at these hearings. PAASD and ASFMR encourage you to attend the committee hearing, if possible, in a show of strength.

MITCHELL ANNUAL MEETING HAS 58% OF MEMBERS ATTENDING

28 members were in attendance for the chapter annual meeting on Thursday evening January 22nd.



Membership Meeting Highlights Not Addressed Elsewhere In Newsletter:

Financial Position: The financial report with the 2008 information and the 2009 budget were reviewed by Treasurer Husby. Key factors for a negative net income in excess of \$3,000:

- Education income below budget.
- Dues income below budget because switch to accrual accounting meant four quarter dues payment recorded in 2009 budget year.
- Two national meetings in 2008 meant Education Foundation auction expense almost double budget.

Despite this loss, the chapter still has \$13,373 in money market reserves for annual operating. A \$3,600 net income is budgeted for 2009.

In March 2008, a designated money market account was established for the Kjerstad Memorial Chapter Membership Scholarship in the amount of \$10,000. The pheasant hunt and interest income generated \$1,626 with \$1,895 paid out for three ARA accreditation and one Leadership Institute scholarship. This resulted in an ending balance of \$9,781. The 2009 scholarship budget allows for one National Meetings scholarship and one Leadership Institutes scholarship.

An audit of the financial records was completed. This report and other financial details can be found on pages 9 thru 12 of the newsletter.

Membership: Ted Risty reported a gain of one member in 2008 with two new members added and one member drop. Current membership includes 48 regular members and 3 partner or honorary members. Ted reported at least four potential members in process and member prospect Reese Clarkson was in attendance at the meeting. Scott Heimes reported there were 5 East River breakfast meetings that included the SDSU Breakfast and Monsanto Plot Tour out of Brookings with 6 to 14 members in attendance at each meeting. Perry Beguin reported there were 5 West River breakfast meetings with good attendance and PAASD member presentation.

Continued

MITCHELL ANNUAL MEETING CONTINUED

SDSU Relationships :Paul Reisch reported four key activity areas.

The chapter awarded the first \$1,000 in 2008 after gradual increases from the initial \$500 award in 2005. Scholarship winner Jim Jansen became the second winner to join the chapter as a student member. Scholarship information and an online application process are on the chapter website www.asfmra-sd.com. To date three applications have been received for the 2009-2010 scholarship period with interviews and selection to occur this spring and the scholarship awarded at the September 2009 Ag-Bio Scholarship Banquet.

The annual SDSU Breakfast with associated board meeting will be May 8th. The committee is working on securing a program speaker with an announcement for by the next newsletter.

The committee also had a presence in 2008 at the October SDSU Career Days and plans the same for 2009. The objectives at this event are to make students more aware of the appraisal profession, the South Dakota ASFMRA chapter, and our scholarship.

Committee members are also working with SDSU representatives to expand appraisal and farm management curriculum to the goal of offering at least minors in these fields. The progress towards these goals was slow but steady in 2008.

Committee activities in recent years have resulted in several chapter members now on first name basis with SDSU representatives and an increase in students taking the appraisal class from 27 in 2005, 34 in 2007, and 40 registered in 2009.

Mentor: Paul Reisch reported that Ron Ensz, Loy Matthes, and met the requirements for the ARA accreditation in 2008. They received their honor in November at the San Antonio national meeting. Geoff Oliver met the requirements in 2007 and received his honor at the February national meeting in San Diego.

Education: Loy Matthes is spearheading the effort for the 2009 joint South Dakota/Wyoming educational meeting. The new course under development entitled "Partial Interests Valuation in Real Estate" will be instructed by John Widdoss. It is anticipated the course will address conservation easement, power line easement, pipeline easement, road easement, grassland easements, and leasehold interest (e.g. - State, BLM, USFS, National Grasslands). This will be held October 7 thru 9 at the Deadwood Gulch Convention Center.

Technology: Allan Husby reported that the chapter website has updated 2009 information including:

- Chapter Leadership
- 2009-2010 Committees
- Chapter Member Directory under Chapter Membership

Members are encouraged to review this information if they have current contact information for chapter members and know the committee(s) where they are asked to serve.

Continued

MITCHELL MEETING CONTINUED

SDBanker Issues: Chapter member Boyd Waar reported that he was working with the SDBankers Association to supplement the chapter's SDSU scholarship. He also shared the results of a recent survey of bankers conducted by the SDBankers Association. The survey had a 50% response rate and included 23 commercial and 16 agricultural lenders. The survey showed no significant concerns regarding quality or cost but major concerns on the issue of timeliness. Average processing time is around 45 days and three weeks or less are needed to meet the banks' needs in a satisfactory manner.

Nominating Committee Report & Elections: Nominating Committee Chair Geoff Oliver presented the committee's report. The members approved the nominations and elected the following:

President—Tom Jass
President Elect—Allan Husby
Secretary—Jack Davis
Treasurer—Brian Gatzke
Board Member—David Baker
2010 Nominating Committee—Ted Risty

We thank outgoing board member Kent Rasmussen for his years of service on the board.

2009-2010 Chapter President Remarks: Tom Jass thanked outgoing President Ron Rucker for his service to the chapter.

Because of his farm management background, Tom said that he would be relying on Ron in 2009 and then President-Elect Husby in 2010 transition for the Government Relations Committee activities in coordination with PAASD.

Tom's philosophy on the President role is to be of service to the chapter members as well as to lead the chapter. He will emphasize member participation and helping each other.

Evening Social: After the chapter annual meeting, members enjoyed a pizza supper and refreshments courtesy of the Social Committee chaired by Craig Sommers.



DAVID BAKER WAS A LUCKY MAN AT MITCHELL MEETING!

The PAASD raffle for their Legislative Fund includes 20 different items with a value range of \$19 to \$515. All those who purchased tickets were eligible for all of the prizes with a winner's number being through back in the hat for the next drawing. There was not a Powerball moment of one person winning all of the prizes, but two people won two prizes and **chapter member David Baker won three prizes!**

ASFMRASOUTHDAKOTACHAPTERAUDITREPORT

An audit of chapter financial records for the years 2006, 2007, and 2008 was conducted by chapter member Paul Reisch on January 17th. CPA Nancy Reisch, Paul's wife, supported him in conducting the audit.

No significant issues were identified.

Findings:

- 2006 summer tour bills were in the deposit file with the deposit of four summer incomes rather than in the bill file.
- 2007 raffle deposits were made and accounted for. However, it was difficult to track the accounting process when raffle deposits were made with other items.
- In 2008, accounting was converted from a cash system to an accrual system. The accrual system used in 2008 was a cleaner process and easier to follow when doing the auditing.
- In 2008, the chapter membership activity was administered with a separate account.

Recommendations:

- Continue with accrual basis accounting as noted above.
- Keep deposits and bills for the separate chapter membership scholarship account separate from the chapter budget account's deposits and bills.
- As was provided for this audit, have a member register provided to future audit committees. This is needed to accomplish the audit in an efficient and easy manner.
- Have two members appointed to audit financial records prior to annual meetings each year. If this is done with the member register provided, the two members can accomplish the audit in an hour or less some times shortly before the annual meeting, and then provide a short report at the annual meeting. This would provide a timely check and report to the membership and take limited time of the audit committee members.

SDChapterofASFMRA,Inc
BalanceSheet
January1,2008-December31,2008

Checking/Savings			26,463.40
EdwardJonesCD-12month-9/20/07			0.00
	OpeningBalEquity	10,000.00	10,000.00
** TotalEdwardJonesCD-12month-9/20/07		10,000.00	10,000.00
* EdwardJonesCD-12month3/15/07			10,000.00
	OpeningBalEquity	0.00	10,000.00
MoneyMarketAccount			6,463.40
OpeningBalEquity	MoneyMarket		6,463.40
5.05% EdwardJonesCD-12month-3/20/07		10,000.00	1 6,463.40
4.85% EdwardJonesCD-12month-9/20/07		10,000.00	2 6,463.40
	MoneyMarket Account		0.00
			26,463.40
TotalOpeningBalEquity		20,000.00	26,463.40
Balancesasof12/31/08			
	* EdwardJonesCD-12month-3/20/07	-10,000.00	0.00
	EdwardJonesCD-12month-9/20/07	-10,000.00	0.00
** EdwardJonesCD-9month-9/20/08		10,000.00	10,000.0 0
*3/15/08 MemorialScholarshipMoneyMarket		10,000.00	10,000.00
Income			
Interest	1226.13		
KjerstadMemorialHunts	400.00		
TotalDeposits			1,626.13
Expenses			
NationalMeeting		\$1,250.00	
LeadershipInstitute		\$595.00	
TotalExpenses			1,845.00
TotalMemorialScholarshipMoneyMarket-12/31/08			9,781.13
MoneyMarketAccount-1/1/08			6,463.40
Income			
TotalEducation	\$889.46		
Interest	\$0.00		
Membership	\$750.00		
SummerMeetingSponsorship	\$307.61		
TotalDeposits			1,947.07
Expenses			
Auction-EdFoundation	\$987.26		
Board&MeetingExpense	\$596.38		
ConferenceCalls	\$54.36		
Legislative	\$1,551.50		
Memorials/Cards	\$50.00		
MiscAdministrative	\$31.86		
PublicRelations	\$601.05		
SDSUFoundationAcorn	\$500.00		
SecretaryStipend	\$250.00		
TreasurerStipend	\$250.00		
Social	\$165		
TotalExpense			5,037.41
TotalNetIncome			-3,090.34
CurrentBalanceMoneyMarket	\$3,373.06		
TotalEquity	\$23,154.19		

*\$10,000CD12monthconvertedto10,000MoneyMark etScholarshipfundin3/08

**\$10,000CD12monthconvertedto9month

As of December 31, 2008

SD Chapter of ASFMRA, Inc
2008 Operating Budget
2008 Budget 2008 Actuals

	2008 Budget	2008 Actuals
Income		
Education-Summer(Net)	0.00	0.00
Education-Winter	1,600.00	611.39
Education Fall(Net)	0.00	278.07
Membership	1,250.00	750.00
Summer Meeting		
Sponsorships	1,000.00	307.61
Interest		0.00
Total Income	3,850.00	1,947.07
Expense		
Auction-Ed Foundation	500.00	987.26
Board & Meeting Expense	500.00	596.38
Conference Calls	500.00	54.36
Legislative	1,500.00	1,551.50
Memorial/Cards/Gifts	200.00	50.00
Misc Administrative	150.00	31.86
National Delegate	500.00	
Public Relations	500.00	601.05
SDSU Foundation ACORN	500.00	500.00
Sec/Treas Stipend	500.00	500.00
Social	300.00	165.00
Total Expense	5,650.00	5,037.41
Net Income	-1,800.00	-3,090.34

*Secretary and treasurer Stipend at \$250 each

***Cost for Lobbyist for undue pressure bill

xSeparate budget with breakdown

SD Chapter of ASFMRA, Inc
2009 Memorial Scholarship Budget
2009 Budget 2009 Actuals

	2009 Budget	2009 Actuals
Income		
Interest	900.00	
Kjerstad Mem Hunt	500.00	
Total Income	1,400.00	0.00
Expense		
Leadership Institute	600.00	
National Meeting		
Scholarships	625.00	
Total Expense	1,225.00	0.00
Net Income	175.00	0.00

SDChapterofASFMRA,Inc
2009OperatingBudget
2009Budget 2009Actuals

Income		
Education-Summer(Net)	0.00	
Education-Winter(Net)	5,800.00	**
EducationFall(Net)	1,500.00	
Membership	1,250.00	
MeetingSponsorships	700.00	
Interest		
TotalIncome	<u>9,250.00</u>	<u>0.00</u>
Expense		
Auction-EdFoundation	500.00	
Board&MeetingExpense	500.00	
ConferenceCalls	500.00	
Legislative	1,500.00	***
Memorial/Cards/Gifts	200.00	
MiscAdministrative	150.00	
NationalDelegate	500.00	
PublicRelations	500.00	
SDSUFoundationACORN	500.00	
Sec/TreasStipend	500.00	*
Social	300.00	
TotalExpense	<u>5,650.00</u>	<u>0.00</u>
NetIncome	<u><u>3,600.00</u></u>	<u><u>0.00</u></u>

*SecretaryandtreasurerStipendat\$250each

***CostforLobbyistforunduepressurebill

**Separatebudgetwithbreakdown

2009ASFMRAWinterEdBudget

	<u>Type</u>	<u>Num</u>	<u>Rate</u>	<u>Amount</u>
Income				
ThursdayStudents		44	150	6600
FridayEducation				0
StudentsAm-Split		25	125	3125
Students-PM		39	50	1950
TotalIncome				11,675.00
Expenses				
Mailer	550			
Hospitality-2nights	600			
Total	1150/2			575.00
Thursday-InstructorFee				2,000.00
FridayInstructorShare				750.00
Thursday-FridayHolidayInnfood&rooms				2,000.00
CERegistrationFees				250.00
PAASDAdministrationFee				300.00
			TotalExpense	5,875.00
NetWintercontinuingEd				<u><u>5,800.00</u></u>