



POTAWATOMI

BUSINESS DEVELOPMENT CORPORATION

2010 ANNUAL REPORT



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A LETTER FROM OUR CHAIRMAN

Dear fellow tribal members,

We are proud to present you with the 2010 edition of the Potawatomi Business Development Corporation's (PBDC) annual report. Here we provide you an account of the financial progress of the Company during the course of 2010, offering a snapshot of our most recent efforts, as well as a brief look at what lies ahead.

As in previous years, we remain driven by our overall mission - to generate wealth and improve the quality of life for the Forest County Potawatomi Community (FCPC) by making strategic investments, acquisitions and prudent asset management and community development decisions. I am happy to say that with your trust, as well as the strong leadership of the Tribe and the integrity of our staff and board of directors, PBDC is building an economic engine to support FCPC for generations to come.

We believe 2010 was a defining year for the Company. Our country continued to struggle with challenging economic times, and as such, we carried out business knowing we must remain smart, cautious and streamlined. Yet the year was also ripe with opportunities that position us well and give us great optimism for the coming year.

Progress around the Concordia Trust Property (CTP) required us to closely examine the immense needs surrounding its development and management. We harnessed this opportunity to create a new company, Greenfire Management Services, LLC, (GMS) which will manage the CTP as well as other tribal-owned properties.

Based on a history of relationships with successful leaders in real estate development and property management, we put in place a

remarkably strong team to build and run this new subsidiary. GMS shows promising growth from the private sector as we develop the CTP and at the same time, will result in massive savings by the Tribe as GMS will now manage assets and properties that were previously contracted out to non-tribal companies. We are thrilled to bring this knowledge base and promising company to the Tribe and look forward to its growth in the coming years.

We are also happy to report that Advancia Corporation and its family of companies and One Prospect Technologies both had very successful years. You will read more about their accomplishments in the pages ahead, but these companies continue to shine and improve our overall market value demonstrating PBDC's success as an economic driver for our Tribe.

At this writing, we are tremendously excited about where we are as a company, and where we are headed in 2011. We are thankful for your support over the last few years and appreciate your foresight. We are at a point in our history where we will see substantial progress and we are committed to further improving the Tribe's investment in the PBDC.

We look forward to delivering another strong year in 2011 and we welcome your comments and recommendations as we grow.



Kevin J. Allis
Board Chair, Potawatomi Business Development Corporation

A LETTER FROM OUR CEO

Welcome to the PBDC's 2010 annual report. We hope you find this resource helpful as it details our progress throughout the year. You are receiving this report earlier than previous years as we shifted our fiscal calendar. We now operate on a September to October year and will report to you in the future based on this schedule.

Looking at 2010, I can say with confidence it was a very good year for the Company. As 2008 and 2009 were financially challenging years for us, and for the rest of the country, we were good fiduciary managers. We made difficult decisions regarding past investments and our overall structure, but we weathered the storm. For us, 2010 became a year of makeover. We continued to manage cutbacks but we also began an expansion in areas we have seen growth.

Advancia Corporation and its family of companies continue to excel by securing lucrative government contracts in a variety of industries making it our most successful investment to date. The company's leadership and expertise is a driving force in their success as well as a tremendous asset to PBDC.

Near the close of 2010, we began work with Advancia to acquire an IT company with existing 8A status currently owned by the St. Croix Tribe of Wisconsin. We hope to close this deal in 2011 furthering Advancia's government contracting scope and growth potential. Also, by partnering with St. Croix, we are anxious to demonstrate yet again, how inter-tribal partnerships can become successful endeavors.

One Prospect Technologies also had a very important year. The leadership focused on the company's growth opportunities by reinforcing its foundation. In 2010, they led the way in bringing broadband coverage to the Northwoods region and after years of work developing a virtual desktop application for school districts,

began rolling out the program with its first customer. They expect sizeable growth in 2011 based on both of these efforts.

As the management of the Concordia Trust Property (CTP) was delegated to the PBDC, we saw additional growth potential and created a new subsidiary company. Creation of Greenfire Management Services, LLC (GMS) was a wise move from an investment standpoint not only for the opportunities it offers in development and management of the CTP, but it is financially prudent on the part of the Tribe. With the Forest County Potawatomi Community's many capital construction projects, it has a deep need for the services GMS will now provide. I commend the General Tribal Council and the tribal leadership for their foresight in supporting PBDC in starting this new company.

Finally, in 2010, we expanded our investment in the Four Fires Hotel. Since we entered this partnership, this investment has been one of the most profitable inter-tribal investments in history and we look forward to its continued growth.

We are anxious to continue the momentum we are generating. As we move through 2011, we will further leverage our distinct and unique tribal business advantages among the federal, state and private marketplace. As we do so, we will capitalize on our new endeavors as well as see continued growth among our existing investments, all in an effort to generate wealth and prosperity for the Forest County Potawatomi Community.

Regards,



Pepi Randolph
CEO, Potawatomi Business Development Corporation

PBDC MISSION STATEMENT

The mission of Potawatomi Business Development Corporation (PBDC) is to generate wealth and improve the quality of life for the Forest County Potawatomi Community (FCPC) by making strategic investments, acquisitions and prudent asset management and community development decisions. Resources generated by PBDC and its holdings will help diversify the tribal economy that supports FCPC's tribal government and help improve the lives of FCPC tribal members. Through trust, support, integrity, and mutual respect, PBDC is committed to building an economic engine that will support FCPC for generations to come.

ROLES OF THE PBDC

Management and Oversight

- Provide oversight to subsidiary companies
- Provide strategic management services to subsidiary companies
- Provide business development services to subsidiary companies
- Manage overall investment portfolio
- Safeguard tribal assets

Investing

- Subsidiary companies, new and existing
- Passive investments
- Partnerships
- Joint ventures
- Manage deal flow

Communication

- Provide information to Executive Council, General Council and Tribal Members
- Intermediary for providing information between subsidiary companies and the Tribe
- Promote FCPC, PBDC and subsidiary companies locally and nationally



PBDC FACTS

Company Name: Potawatomi Business Development Corporation (PBDC)

Established: 2002

Headquarters: Milwaukee, WI, Crandon, WI and Oklahoma City, OK

Total Employees: 300

Subsidiary Companies:

- Advancia Corporation
 - Potawatomi Training, LLC
 - Advancia Technologies, LLC
 - Advancia Aeronautics
 - Securio Group
- One Prospect Technologies
- Greenfire Management Services, LLC

Joint Ventures:

- Four Fires LLC – Marriott Residence Inn – Hospitality {33.7%}

Limited Partnerships/Investments:

- Commercial Real Estate:
 - Haley Associates, LLC
 - Bradley Associates, LLC
 - Mammoth Associates, LLC
- Hospitality:
 - Summit Hotel Properties, LLC
- Software Development:
 - Brendan Technologies
 - Embedded Control Systems
- Ethanol Plants/Manufacturing Companies:
 - Blue Stem Growth and Income Funds II & III
 - Waukesha Tool & Stamping, LLC
 - Milwaukee Composites, Inc
- Residential Real Estate:
 - Native American Housing, LLC

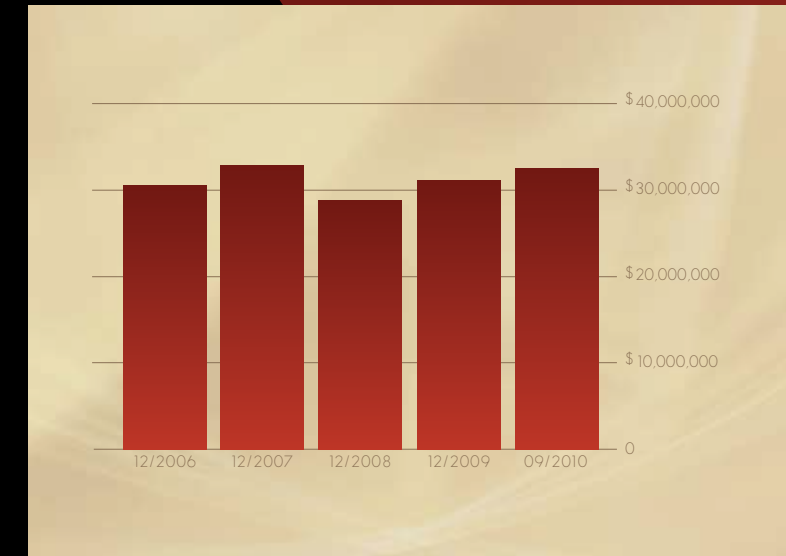
Executive Team:

- Pepi Randolph, CEO
- Kip Ritchie, COO
- Chris Meinecke, CFO
- Rebecca Guddie, Administration Manager

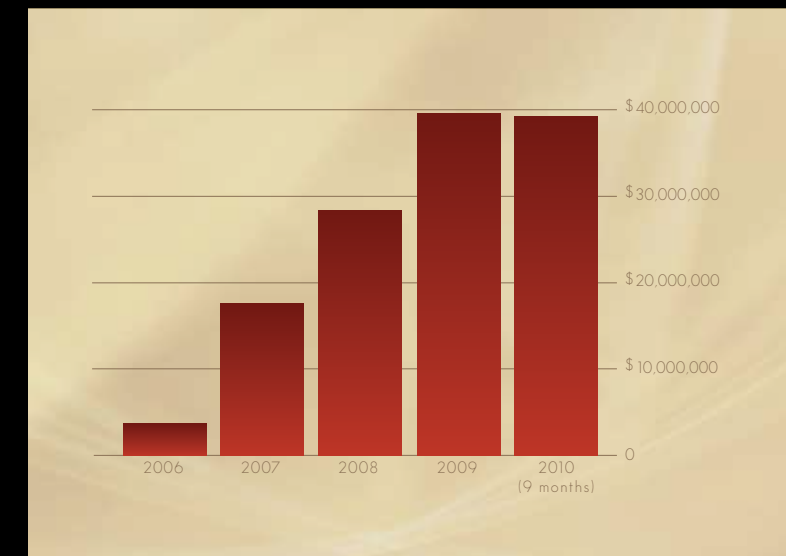
Shareholders: Owned by the 1,400 approximate members of the Forest County Potawatomi Community

PBDC ASSETS AND REVENUES

TOTAL ASSETS



TOTAL REVENUES





GREENFIRE
MANAGEMENT SERVICES, LLC

BUILT ON THE PILLARS OF INTEGRITY, EXPERIENCE, QUALITY AND TRUST.

One of PBDC's most significant highlights from the 2010 year was the approval we received to create a new subsidiary company, Greenfire Management Services, LLC (GMS).

With great foresight by the Tribal council and its leadership, GMS was conceived based on the projected needs surrounding the Concordia Trust Property (CTP). Formed in July, the construction management, owner's representative and property management firm is wholly-owned by the PBDC and is currently in the process of obtaining federal, state, and local certifications as a Native American-owned company, making it a desirable minority contractor.

Capital improvement projects are a significant portion of the Tribe's operating budget and as the FCPC looks to expand its gaming operations and other property holdings, those costs continue to rise. Previously, FCPC looked outside its immediate family of companies to obtain these costly, but necessary, construction services.

"By establishing our own property and construction management firm, we will not only save money by keeping these services in-house, but GMS will also attract and secure additional business outside of the Tribe, further expanding the company's revenue generating opportunities and improving PBDC's bottom line,"

said Pepi Randolph, PBDC's CEO. "We are very excited about the potential this new company brings us as an investment group."

Bob Schmitt, a construction executive with nearly 40-years of experience in all phases of the construction process from business development through completion, is currently heading the company as president.

"Bob brings strong leadership skills, both managerially and technically, with proven abilities in successfully managing large projects, operating units, or an entire company and we are fortunate to have him leading this important company," said Randolph.

Previously, Schmitt was president of Grunau Project Development, which managed the initial \$120 million Potawatomi Bingo & Casino project, and as a result, has a long and successful history with the Tribe.

"We are very optimistic about the future of this company as Greenfire was structured to fill a need in the current Milwaukee construction marketplace," said Schmitt. "Beyond the savings GMS will bring the Tribe, as a tribally-owned minority firm with a strong management team and strong bonding capacity, GMS will also be attractive to clients needing minority contractor participation as well as Federal, State, and Local government agencies. I look forward to developing this company with the Tribe."

During the first three months of 2011, Greenfire began promoting itself and its management team to the greater Milwaukee community, as well as applying for business licenses and certifications.

The company is also currently establishing relationships with our banks, attorneys, bonding agents, and insurance brokers. Former relationships with clients are being rekindled and additional employees will be added to manage and supervise work as it develops.

Built on strong business principles and personal integrity, Greenfire is well positioned to meet the future needs of the Milwaukee and Southeastern Wisconsin construction marketplace.



BUSINESS TECHNOLOGY. BUSINESS RESULTS.

Founded in Crandon, Wisconsin in 2000 and purchased by the Potawatomi Business Development Corporation in 2006, One Prospect Technologies is a solutions provider offering information technology (IT) management and services programs for companies throughout Wisconsin and beyond.

According to the company's leadership, 2010 was a solid and profitable year as One Prospect focused on strengthening its foundation and leveraged its most significant areas of expertise.

"Our focus over the past year enabled us to establish ourselves as leaders in our industry in and around the northwoods region," said Jason Neilitz, One Prospect Technologies CEO. "We will use our success from 2010 as a stepping stone into 2011 to serve our key markets including tribal governments and entities, small to large-sized businesses and schools."

At the start of the 2010 fiscal year, One Prospect led a coalition of Tribes, local governments and civic groups to bring broadband Internet access to Wisconsin's northwoods. After planning for broadband for more than a year, One Prospect is now working to deliver the much-needed service to the Forest County Potawatomi Community (FCPC). Throughout 2011, One Prospect will work with the Tribe to make broadband service available to all 190 households on the reservation. Broadband continues to be an emphasis for One Prospect as well as meeting contractual obligations for delivering technology to the Tribe.

"The broadband project is important to the FCPC and to the entire northwoods region," said Neilitz. "We are doing something that is unique for a Tribe. This communications service is critical to tribal communities around the nation and so many are forced to go without it. We hope by delivering this service, we chart a path for other tribes to follow."

This past year, One Prospect also worked to develop their Virtual Desktop Service™ which is designed for school districts, businesses and tribes. The service offers customers cost savings by streamlining system upgrades and allowing users to access information from any location and at anytime. "The Virtual Desktop Service is ideal for a variety of organizations as it offers users optimum service rather than forcing them to wait on slow and outdated technology," said Neilitz. The service will soon be implemented by a northwoods school district and One Prospect is working to trademark the service and market it to other schools, as well as tribes and businesses nationwide.

Other highlights from the year include developing a working relationship with the North Star Mohican Casino in Bowler, Wisconsin and work with the Gerald L. Ignace Indian Health Center in Milwaukee. The company also bought and moved into a building in Rhinelander, resulting in significant savings in operating costs each year. Finally, One Prospect realigned and expanded its sales department in 2010 to leverage opportunities expected in 2011 and beyond.

Into the 2011 fiscal year, the company remains focused, energized and anticipates further growth in terms of staff size and the services it offers to the marketplace. "Where 2010 was a year for us to strategically develop and hone our core products and services, we are now positioned to deliver these services to the northwoods community, as well as schools, tribal governments and businesses nationwide," said Neilitz.



LINKING PEOPLE AND RESOURCES WITH THE GOVERNMENT, MILITARY AND NATIVE CORPORATIONS.

A 100 percent tribal-owned company, Advancia Corporation is headquartered in Oklahoma City and was purchased by the PBDC in 2007. The following year the company established four sister companies including Potawatomi Training, Advancia Technologies, Advancia Aeronautics and Securio Group.

Since its inception, Advancia has operated with the simple philosophy of making clients successful. Under the leadership of President Renee Porter, this philosophy fuels the company growth and continues to make Advancia Corporation PBDC's shining star.

According to Porter, Advancia and its sister companies had a strong and profitable year in 2010. "Military and government contracting is our marketplace. We secured numerous large dollar contracts as a prime contractor in 2010," said Porter. "Success begets success. These wins are evidence of our history and abilities executing the government's missions."

The family of companies now operates in 34 locations nationwide and currently employs more than 240 people who excel in engineering, logistics, information technology, training, environmental and safety, and research and systems analysis services. Advancia has won more than 650 contracts – all delivered on time, on budget, and meeting or exceeding client expectations. Significantly, as a small business, Advancia and its family of companies pursues and wins large dollar value contracts.

In 2011, Advancia is positioning itself for work in areas where the government has budgetary priorities. Among them are medical staffing, cloud computing, and Internet services and security.



The family of companies secured 18 new contracts during the 2010 fiscal year including:

ADVANCIA

- One of nine awardees of the US Army \$100M ID/IQ contract for the Maneuver Support Center of Excellence at Fort Leonard Wood, Missouri
- Awarded \$3.2M contract to support the Army's Battery and Below RESET support contract for the US Army Field Artillery School at Fort Sill, Oklahoma
- Awarded \$3.2M contract to support the Army's Collective Training Evaluation Team support contract for the US Army Field Artillery School at Fort Sill, Oklahoma
- Awarded through a series of purchase orders valued at over \$2.5M to support the Base Camp Operations Development and Training for the US Army Corps of Engineers in Huntsville, Alabama
- Awarded \$890K contract to support the Army's Tactical Information Operations Course support contract for the US Army Field Artillery School at Fort Sill, Oklahoma
- Awarded \$750K contract to support the Army's Basic Officer Leaders Course support contract for the US Army Field Artillery School at Fort Sill, Oklahoma
- Awarded \$439K contract to support the Army's Fire Support Coordinator Training support contract for the US Army Field Artillery School at Fort Sill, Oklahoma
- Awarded through a series of purchase orders valued at \$300K to support the Intelligent Munitions Systems instructional development to Textron Systems in Wilmington, Delaware
- Awarded \$132K subcontract to support the Army's instructional support to the US Army Quartermaster School at Fort Lee, Virginia
- Awarded \$67K subcontract to support the Army's National Simulations Center at Fort Leavenworth, Kansas

POTAWATOMI TRAINING LLC

- One of seven awardees of the US Army's \$458M ID/IQ contract for the US Army Fires Center of Excellence at Fort Sill, Oklahoma. Subsequently have won four task orders valued at \$2.2M
- One of six awardees of the US Army's \$260M ID/IQ contract for the US Army's Combined Arms Center at Fort Leavenworth, Kansas.
- Awarded \$3M contract to support the Army's Lessons Learned Professional Military Education contract for the Combined Arms Center at Fort Leavenworth, Kansas
- Awarded \$480K contract to support the Army's Center for Lessons Learned- Request for Information support contract for the Combined Arms Center at Fort Leavenworth, Kansas
- Awarded \$381K contract to support the Army's Center for Lessons Learned- Publications Support contract for the Combined Arms Center at Fort Leavenworth, Kansas
- Awarded \$230K contract to support the Center for Doctrine Development Support contract for the Combined Arms Center at Fort Leavenworth, Kansas

ADVANCIA AERONAUTICS

- Booked more the \$4.0M in subcontract revenue supporting the Federal Aviation Administration's technology insertion program (NISC II Bridge)
- Awarded 15 contracts valued at \$3.2M to provide physicians to US Army Medical Treatment Facilities throughout the US



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INDEPENDENT AUDITORS' REPORT

Stockholder and Board of Directors
 Potawatomi Business Development Corporation and Subsidiaries
 Milwaukee, Wisconsin

We have audited the accompanying consolidated balance sheets of Potawatomi Business Development Corporation and Subsidiaries (the "Company") as of September 30, 2010 and December 31, 2009, and the related consolidated statements of operations, stockholder's equity, and cash flows for the periods then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 30, 2010 and December 31, 2009 and the results of its operations and cash flows for the periods then ended in conformity with accounting principles generally accepted in the United States of America.

Baker Tilly Virchow Krause, LLP

Milwaukee, Wisconsin
 December 14, 2010

POTAWATOMI BUSINESS DEVELOPMENT CORPORATION AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 September 30, 2010 and December 31, 2009

ASSETS	SEPTEMBER 30, 2010	DECEMBER 31, 2009
Current Assets		
Cash and cash equivalents	\$ 6,318,402	\$ 2,549,672
Accounts receivable	5,009,595	5,696,271
Inventories	54,186	71,211
Cost and estimated earnings in excess of billings	4,520,737	5,281,093
Notes receivable – current	451,160	60,918
Other current assets	168,889	209,466
Total Current Assets	<u>16,522,969</u>	<u>13,868,631</u>
Property and Equipment	1,169,565	978,318
Other Assets		
Investments in limited partnerships, net	9,464,692	9,914,692
Investment in joint venture	157,049	-
Investment - other	532,962	520,133
Split dollar life insurance	215,209	235,650
Notes receivable	166,965	801,857
Other long-term assets	27,344	53,695
Goodwill	5,530,566	5,530,566
TOTAL ASSETS	<u>\$ 33,787,321</u>	<u>\$ 31,903,542</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities		
Lines of credit	\$ -	\$ 127,448
Current maturities of long-term debt	418,839	497,773
Account payable	3,459,795	4,169,013
Accrued expenses	3,217,656	2,347,608
Billings in excess of costs and estimated earnings	420,104	669,132
Deferred revenues	129,083	-
Total Current Liabilities	<u>7,810,974</u>	<u>7,612,772</u>
Long-term Debt , net of current maturities	<u>925,001</u>	<u>1,187,637</u>
Total Liabilities	<u>8,624,478</u>	<u>8,998,611</u>
Stockholder's Equity		
Common stock, no par value per share: 1 share authorized, issued and outstanding	145,938	145,938
Additional paid-in capital	24,345,818	24,345,818
Retained earnings (accumulated deficit)	671,087	(1,586,825)
Total Stockholder's Equity	<u>25,162,843</u>	<u>22,904,931</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 33,878,321</u>	<u>\$ 31,903,542</u>

POTAWATOMI BUSINESS DEVELOPMENT CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENT OF OPERATIONS
 Nine Months Ended September 30, 2010 and Year Ended December 31, 2009

	2010	2009
Net Sales	\$ 39,604,659	\$ 39,786,159
Cost of Sales	<u>31,420,422</u>	<u>29,253,444</u>
Gross Profit	8,184,237	10,532,715
Operating Expenses	<u>5,848,788</u>	<u>6,932,017</u>
Operating Income Before Impairment of Investment Holdings	2,335,449	3,600,69
Impairment of Goodwill and Investment Holdings	<u>(635,000)</u>	<u>(1,873,973)</u>
Operating Income	<u>1,700,449</u>	<u>1,726,725</u>
Other Income (Expense)		
Interest and dividends	323,098	727,752
Interest expense	(120,222)	(256,605)
Other income (expense)	<u>28,173</u>	<u>(7,773)</u>
Net Other Income	<u>231,049</u>	<u>463,374</u>
Income from Continuing Operations Before Interest in Income of Joint Venture and Discontinued Operations	1,931,498	2,190,099
Interest in Income of Joint Venture	<u>326,414</u>	<u>362,536</u>
Income from Continuing Operations	2,257,912	2,546,059
Loss from Discontinued Operations	<u>-</u>	<u>(6,576)</u>
NET INCOME	<u>\$ 2,257,912</u>	<u>\$ 2,546,059</u>

POTAWATOMI BUSINESS DEVELOPMENT CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY
 Nine Months Ended September 30, 2010 and Year Ended December 31, 2009

	Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Stockholder's Equity
BALANCES , December 31, 2008	\$ 145,938	\$ 24,222,817	\$ (4,132,884)	\$ 20,235,871
2009 net income	-	-	2,546,059	2,546,059
Contributions	<u>-</u>	<u>123,001</u>	<u>-</u>	<u>123,001</u>
BALANCES , December 31, 2009	145,938	24,345,818	(1,586,825)	22,904,931
2010 net income	<u>-</u>	<u>-</u>	<u>2,257,912</u>	<u>2,257,912</u>
BALANCES , September 30, 2010	<u>\$ 145,938</u>	<u>\$ 24,345,818</u>	<u>\$ 671,087</u>	<u>\$ 25,162,843</u>

POTAWATOMI BUSINESS DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine Months Ended September 30, 2010 and Year Ended December 31, 2009

	2010	2009
Cash Flows from Operating Activities		
Net income	\$ 2,257,912	\$ 2,546,059
Adjustments to reconcile net income to net cash flows from operating activities		
Depreciation of property and equipment	195,816	298,416
Loss on disposal of property and equipment	-	13,781
Provision for bad debts	-	(24,323)
Decrease (increase) in split dollar life insurance	20,441	(5,413)
Impairment of investment holdings	635,000	1,873,973
Interest in income of joint venture	(326,414)	(362,536)
Gain on sale of Howl Fire	-	(122,173)
Loss on sale of PDG	-	265,450
Noncontrolling interest in variable interest entity	-	(23,076)
Changes in assets and liabilities		
Accounts receivable	686,676	(1,535,053)
Inventories	17,025	(8,845)
Costs and estimated earnings in excess of billings	760,356	(2,708,124)
Other assets	66,928	(49,362)
Accounts payable	(709,218)	2,081,801
Accrued expenses	924,048	102,115
Billings in excess of costs and estimated earnings	(249,028)	(344,381)
Deferred revenues	129,083	(203,551)
Net Cash Flows from Operating Activities	<u>4,408,625</u>	<u>1,794,758</u>
Cash Flows from Investing Activities		
Capital expenditure	(387,063)	(240,078)
Proceeds from sale of assets	-	9,986
Settlement for limited partnership investment	(185,000)	-
Purchases of other long-term investments	(12,829)	(16,610)
Collections on notes receivable	244,640	237,225
Cash included in sale of assets of Howl Fire and PDG	-	(429,722)
Dividends received from joint venture	169,365	362,536
Net Cash Flows from Investing Activities	<u>(170,877)</u>	<u>(76,663)</u>
Cash Flows from Financing Activities		
Net payments on lines of credit	(127,448)	(435,243)
Principal payments on long-term debt	(452,370)	(487,494)
Proceeds from long-term debt	110,800	-
Proceeds from surrender of officer life insurance policy	-	58,681
Contributions	-	123,001
Net Cash Flows from Financing Activities	<u>(469,018)</u>	<u>(741,055)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,768,730	977,040
CASH AND CASH EQUIVALENTS – Beginning of Year	<u>2,549,672</u>	<u>1,572,632</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,318,402</u>	<u>\$ 2,549,672</u>
Supplemental cash flow disclosures		
Cash paid for interest	\$ 119,000	\$ 293,000
Noncash investing and financing activities		
Note payable forgiven in exchange for Howl Fire	\$ -	\$ 100,000
Note receivable received as consideration for sale of PDG asset	-	700,000
Conversion of limited partnership investment to note receivable	-	400,000

EXECUTIVE COUNCIL

The Executive Council is a constitutionally created body composed of the elected officers of the tribe including the Chairman, Vice-Chairman, Secretary, Treasurer, and two Council Members. The duties of the Executive Council are stated in Article V, Section 1 of the FCPC Constitution of 1982. The duties of the members of the Executive Council are enumerated in Article IX of the Constitution.

Duties include the handling of any and all agreements with federal, state and local governments, or businesses and individuals. The Council is to advise the Secretary of the Interior on all projects that benefit the FCPC community.

The Council is also charged with managing the economy of the tribe, the administration of all funds, regardless of their source. Members also develop ordinances and resolutions for the General Council and to develop policies, formulate plans and set objectives for the betterment of the tribe for consideration of the General Council.

Finally, the Executive Council encourages preservation of Potawatomi arts, crafts, traditions, and culture.



Gus Frank
Chairman



James Crawford
Vice Chairman



Lorna Shawano
Secretary



Joseph Daniels
Treasurer



Tom Boelter
Council Member



John Alloway
Council Member

BOARD OF DIRECTORS



Kevin J. Allis, Chairman

Kevin J. Allis is a tribal member of the Forest County Potawatomi. He is an associate with Piliro Mazza PLLC, where he primarily concentrates in management labor and employment law. Kevin works closely with several Native American tribes, tribal enterprises and Native American associations on labor and employment law issues impacting Indian country. His work in this area has included active participation in a national workgroup sponsored by several of the largest Native American associations in the country. Kevin received his Law Degree from the University of Baltimore. He attended Louisiana State University and graduated with a Bachelor's of Science from the University of Baltimore.



Brad McClain, Board Member

Brad McClain is a tribal member of the Standing Rock Sioux Tribe in Fort Yates, North Dakota. He is CFO for the University of Wisconsin Credit Union in Madison. He is primarily responsible for all accounting, finance, audit and real estate matters for the \$1.1 billion credit union. Brad formerly was the CFO for the Potawatomi Bingo Casino in Milwaukee, Wisconsin. He also was a member of the Forest County Potawatomi Investment Committee. Brad has over 22 years of experience in the financial services industry. Brad received his Bachelor's Degree from the University of Wisconsin - Platteville with majors in accounting and business finance.



Immanuel Johnson II, Board Member

Immanuel Johnson II is a tribal member of the Forest County Potawatomi. He is a construction professional with 20 years experience in the building trade and is currently the construction superintendent for Apple Tree Homes, LLC, specializing in condominium home communities. Manny was formerly the owner of a residential remodeling company, he helped teach a residential construction program with Fox Valley Technical College and is a former general manager of a \$7M window and door replacement company. Immanuel received his Bachelor's Degree from the University of Wisconsin - Stevens Point.



Kurt L. O'Bryan, Board Member

Kurt O'Bryan is general manager of technology, sales and product development for FLSmidth Excel, the leading US exporter of heavy duty rock crushing equipment, headquartered in Wales, Wisconsin. Kurt served as the PBDC's Chief Operating Officer from 2003 to 2006 and during his tenure, profitability showed consistent growth on a quarterly basis. Kurt received his Masters of Business Administration degree from Marquette University, a Masters of Science degree from the University of Minnesota and a Bachelor's degree from South Dakota School of Mines.



Phil Shopodock, Board Member

Phil Shopodock is tribal member of the Forest County Potawatomi. He recently completed a two-year term as chairman of the Tribe's executive council.

PBDC MANAGEMENT

Pepi Randolph, Chief Executive Officer

Pepi Randolph served as PBDC's vice president of national sales and marketing before being promoted to Interim CEO, then CEO in 2008. He previously served as president of Forward Wisconsin, the state's public-private marketing and business recruitment organization. He also served as an Assistant Vice President in the investment division at M&I Bank and Assistant General Counsel for the Milwaukee Brewers Baseball Club. Pepi earned his Bachelor's Degree in Journalism and History and his Law Degree from the University of Wisconsin.



Kip Ritchie, Chief Operating Officer

Kip Ritchie is a member of the Forest County Potawatomi and completed a term as PBDC Board Member in 2008. He previously served as the Senior Vice President for PBDC before being appointed COO. Kip holds a Bachelor's Degree in Communications from the University of Wisconsin. He serves as the Chair of the Forest County Potawatomi Community Foundation Advisory Board, on the Native American Finance Conference board of Directors, the Native American Contractors Association board, the American Indian Business Network board and the College Readiness 21 board. Kip also sits on the Froedert Hospital Foundation board and the Children's Health Alliance board.



Chris Meinecke, Chief Financial Officer

Chris Meinecke, CPA, is PBDC's Chief Financial Officer. In this role, Chris is responsible for financial and accounting oversight, deal flow review and due diligence, strategic analysis, planning and audit oversight. Chris most recently was a Senior Manager in the Milwaukee office of Grant Thornton, LLP. He graduated from the University of Wisconsin with a BBA in Accounting, and he is a Certified Public Accountant in the State of Wisconsin.



Rebecca Guddie, Administration Manager

Rebecca joined the PBDC in June of 2006. She brought with her more than 15 years of experience from prior administrative management positions including nine years as a sales administrator with the *Milwaukee Business Journal*. She is a member of the Metro Milwaukee Society for Human Resource Management and the National Notary Association and is a certified tourism ambassador for the city of Milwaukee.



A LOOK BACK A GLIMPSE AHEAD

The following chronology captures the major milestones achieved by the Potawatomi Business Development Corporation since it was conceived in 2002. We are proud to have accomplished what PBDC was created to do according to our corporate charter, and we continually strive to raise the bar in setting new goals for the Company.

2002

- Resolution passed to create PBDC
- Corporate charter and bylaws approved
- FCPC/PBDC made first investment with Four Fires, LLC

2003

- Created board of directors with seven members, including three tribal members
- Developed corporate structure, strategic plan and pursued passive investments

2004

- Chief operating officer appointed to provide day-to-day investment management, deal flow analysis, further develop strategic plan and prepare for next phase of growth

2005

- Became the first FCPC tribal business entity outside of gaming to return a dividend to tribal government and membership
- Opened hotel with Four Fires, LLC
- Achieved net profit of \$750,000

2006

- Changed from passive investments to strategic acquisitions
- Chief executive officer appointed
- Began implementing an acquisition strategy and purchased Potawatomi Design Group, One Prospect Technologies and Advancia Corporation
- Dividend paid of \$1.5 million

2007

- Opened Potawatomi Community Development Corporation as planned by corporate charter
- Purchased 49 % ownership in Howl Fire, LLC
- Formed strategic partnership with HCI Logistics

2008

- Obtained National Minority Supplier Development Council certification
- Began work towards obtaining Small Business Administration Super 8(a) designation for subsidiary companies
- Updated the corporate charter and bylaws
- Improved financial reporting and communication with Executive Council and tribal members

2009

- Continued to operate effectively and efficiently, reducing PBDC's operating expenses by 35 percent
- Market value of subsidiary companies grew by 68 percent since 2004
- Retained legal support for future mergers and acquisitions
- Evaluated and restructured the PBDC board of directors and management staff

2010

- Led the feasibility analysis for the proposed expansion at Potawatomi Bingo Casino
- Launched Greenfire Management Services
- Purchased additional shares in Four Fires Marriott
- Returned a dividend to the FCP Tribal Membership
- Began partnership with St. Croix Chippewa Tribe
- Increased PBDC asset portfolio value to more than \$30 million

2011 & Beyond

- Incorporating whistleblower policy to maintain high standard of ethics and integrity at PBDC and all subsidiaries
- Pursuing profitable business concepts for the Concordia Trust Property
- Seeking strategic partnerships with other Tribal Nations
- Evaluating potential acquisitions to grow our portfolio



KEEPERS OF THE FIRE. BUILDERS OF THE FUTURE.

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