

# aedc Annual Report

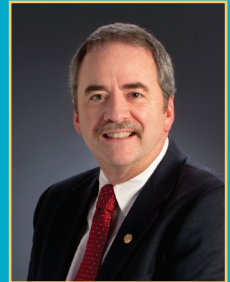
# 2016

## *Executive Director Letter by Ross Welch*

In FY16, AEDC moved our office from our founding city of Arcata to Eureka, where we are more centrally located in our lending region. The move has allowed us to be more accessible to partners and clients, and we have seen an increase in walk in traffic because of it.

AEDC continues to work with small business, both in originating loans and in servicing them. The value of our loan servicing cannot be understated. We ended the year with a delinquency rate of less than 1%. When we see our businesses become stronger, they are considered lower risk and we money can be moved from loan loss reserves to our net assets.

This coming year, we will focus on small business lending and in participating with more community facility projects. We will continue to expand our funding sources for both business loans and community development projects by utilizing opportunities from our existing partners like USDA, SBA and CDFI as well as reaching out to local and regional partners. By remaining strong in our operations, we're able to be more creative as we look for funding opportunities. We're looking forward to seeing how we can use our strengths to support our region in the coming year.



## Treasurer Letter by Michael Proulx

AEDC's operational strength is apparent with a finding free audit for the sixth year in a row. Even with a move to the new office, AEDC continues to see our net assets grow more than \$53,000 to \$2.15 million.

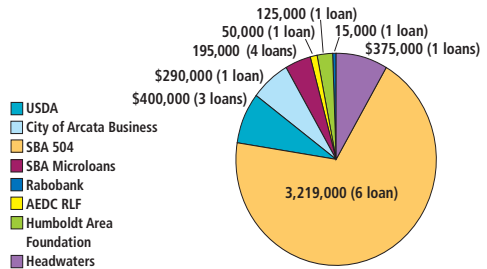
2016 was the year of SBA 504 Loans for AEDC, with six loans compared to three last year. We also increased the dollars loaned through the SBA Microloan program by \$129,500. We made loans in Del Norte, Mendocino and Humboldt Counties.

AEDC's largest revenue source comes from interest on our loans. We have seen an increase in that line item from \$392,371 to \$399,348.

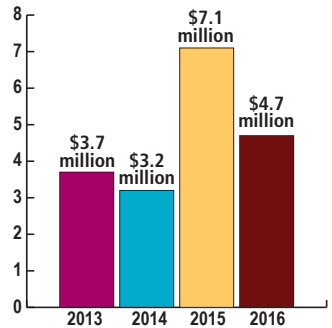
In FY15 available funds were the biggest struggle for AEDC, but that improved greatly in FY16. We were waiting to hear about funding from USDA and SBA. We were successful on both fronts. We received \$1 million from the USDA from their Intermediary Loan Program, and another \$300,000 from the SBA Microloan program.

We were able to assist 11 businesses and one community development project in FY16. We are well positioned to serve more of both business and community development clients at this time. I would like to invite you to come to AEDC if you are seeking funding for businesses and community development projects that impact on our local economy.

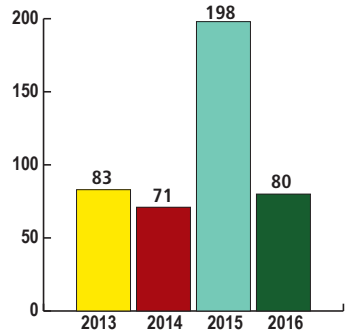
### LOAN VOLUME BY PORTFOLIO



### DOLLARS LOANED



### JOBS CREATED/RETAINED



### FY16 FINANCIAL POSITION

	FY16	FY15	FY14
Net Assets	\$2,152,603	\$2,098,641	\$2,028,449
Unrestricted Net Asset	\$2,152,603	\$2,086,955	\$2,023,141
Total Assets	\$6,264,070	\$6,148,381	\$6,103,868

### OPERATIONAL ACTIVITIES

	FY16	FY15	FY14
Total Revenue	\$755,094	\$ 668,687	\$2,054,470
Total Expenses	\$701,132	\$ 598,495	\$1,176,456

## Programs

Besides providing funding for economic development projects, AEDC's mission includes supporting community endeavors that create a stronger economy. We regularly support the work of partners. In FY16, we worked with the Prosperity Network to present a four part series of Business Leader Luncheons discussing the potential impact of the cannabis industry on the economy. AEDC worked with the Job Market on a customer centered design project for employers. Employees of AEDC serve on economic development related committees, such as serving on the Eureka Economic Development Commission and on the board of the Yurok Economic Development Corporation.



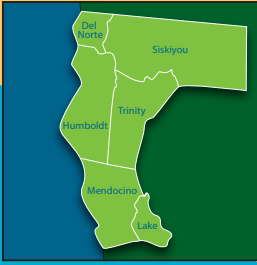
AEDC nurtures our youngest entrepreneurs, K-12, by giving them the tools to run a business for a day with Lemonade Day. In the process, each child learns to create a budget, sets profit making goals, serves customers and gives back to their community by contributing a portion of their profits to local causes and charities.

In FY16, about 50 stands were open from Garberville to McKinleyville. The average reported revenue was \$150 per stand, with an average profit of \$104. Over half of the participants (57%) reported sharing an average of \$57 of their funds. Twenty-three local community members volunteered to visit the stands and provide feedback to the participants.



## IDA Siskiyou County

Siskiyou County hosted 21 IDA participants in AEDC's Individual Development Account program. The IDA program is a poverty relief program supported by an Assets for Independence grant from the Department of Health and Human Services. AEDC worked with low to moderate income micro-business owners in partnership with the Jefferson Economic Development Institute (JEDI) to develop their business by giving participants training in personal financial literacy and business development and working with them to develop business plans with one-on-one counseling. During the program, participants save money, and when the program is completed they receive \$3 for every \$1 saved. In FY16, \$42,143 in matching funds were distributed, allowing participants to purchase nearly \$53,000 in assets to strengthen their business.



*Providing loans and support to entrepreneurial, innovative business and community endeavors. AEDC provides financing for business opportunities in Del Norte, Humboldt, Mendocino, Lake, Siskiyou and Trinity Counties in Northern California. “*

### **Staff:**

**Ross Welch, EXECUTIVE DIRECTOR**  
**Kelli Sterling, LOAN MANAGER**  
**Jayne Lovig, ASSOCIATE LOAN OFFICER**  
**Tony Rodrigues, LOAN SERVICING**  
**Susan Seaman, PROGRAM DIRECTOR**  
**Teri Paterson, CONTROLLER**  
**Keif Chavera, OFFICE MANAGER**

### **AEDC 2016 Board of Directors**

**Scott Bartlett, PRESIDENT**  
COO and Co-Owner, Eureka Payments

**Walt Geist, VICE PRESIDENT**  
Associate VP, American Ag Credit

**Michael Proulx, TREASURER**  
Lecturer, Humboldt State University

**Kathy Montagne, SECRETARY**  
Executive Director, Northcoast Children's Services

**Stan Elcock, PAST PRESIDENT**  
Owner and Engineer, SEE Engineering

**Janet DePace**  
Business Consultant, MLC Consulting

**Antoinette T Highsmith**  
Controller, Wildberries Marketplace

**Laurie Mark**  
Co-Owner, The Mill Yard

**Mandy Marquez**  
VP/Relationship Manager, US Bank

**Rebecca Price Hall**  
Grant Administrator, City of Trinidad

**Tina Susmilch**  
VP Commercial Loan Officer, Redwood Capital Bank



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