



**MISSION :**  
*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*



# Annual Report 2018

## *From the Executive Director*

AEDC has been spending the last several years working on taking our community to the next level. We do that by seeking funding opportunities that allow us to take on larger projects that can make greater impacts. In FY18, AEDC approved our largest loan ever to the Hoopa Valley Tribe for their grocery store at \$4.2 million. After several years of establishing and strengthening community funding partnerships, larger equity investors were confident to participate in the project making way for more in the future.

We have done this while continuing to work on business and community loans at every level, utilizing our SBA microloan program, the SBA 504 loan program for commercial property as well as loans through USDA, our own AEDC revolving loan fund and our EQ2 Partnership with Rabobank.

Our revenue is derived from the operation of these loan programs, fees for service, grant revenues and contributions. We use our audit to track trends and make adjustments when needed. For the first time in recent memory, we show a small decrease in net assets at the fiscal year end. That deficit was made up quickly in the next fiscal year with the reimbursement from Cal Cap and accessing unused grant funds from the year prior.

As we move forward, we will continue to be diversified in our opportunities so that we can weather the ups and downs of our individual revenue sources and keeping us steady and growing over the long run.



## 2018 Board of Directors

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

**Scott Bartlett, Vice President**  
 COO, Eureka Payments

**Janet DePace, Secretary**  
 Business Consultant, SBDC

**Michael Proulx, Treasurer**  
 Lecturer, HSU

**Walt Geist, Past President**  
 Executive Director, American Ag Credit

**Peter Jermyn**  
 Retired Owner, Los Bagels

**Ray Litchfield**  
 CEO, Compass Credit Union

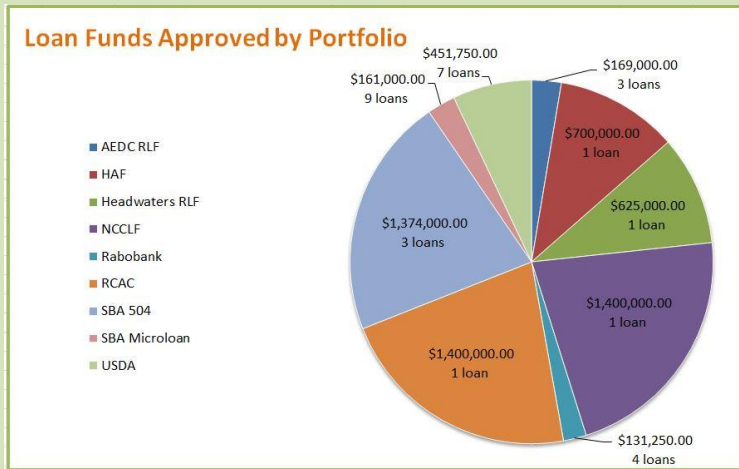
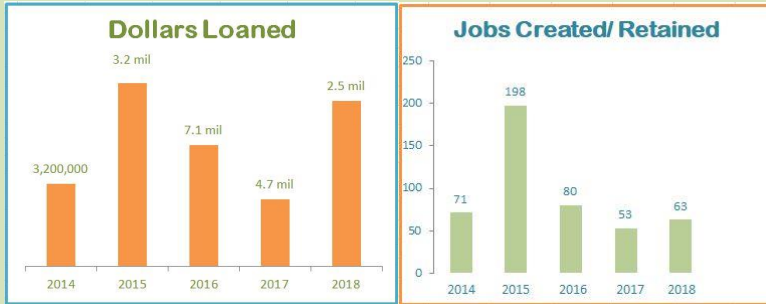
**Laurie Mark**  
 Retired Owner, The Mill Yard

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

**Fawn Sheer**  
 Operations Manager, Greenway Partners

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

# FY18 By the Numbers



FY Financial Position	FY16	FY17	FY18
Net Assets	\$2,152,603	\$2,176,200	\$2,126,698
Total Assets	\$6,264,070	\$6,583,038	\$6,608,328
<b>Operational Activities</b>			
Total Revenue	\$755,094	\$715,508	\$680,094
Total Expenses	\$701,132	\$691,911	\$689,837

## Hoopa Grocery Store

At \$4.2 million dollars, Hoopa Valley Grocery Store is the largest loan made by AEDC, in participation with several community partners and out of the area Community Development Financial Institutions (CDFI). There was a critical need to address the food desert in the Hoopa Valley, but even with our usual funding partners, the project was challenging. It required more funding than we could access locally and it would require working with property that could not functionally be used for collateral because it was located in a sovereign state. Investors required additional security to mitigate the risk.

Fortunately, AEDC had experience with the Bureau of Indian Affairs (BIA) and was able to secure a 90% BIA Guarantee on the project. This security made a much safer investment. Community investors stepped up to participate, including Humboldt Area Foundation and the Headwaters Fund. The California Finance Consortium, a group created to address the funding needs of rural northern California, participated in a portion of the loan, as well. Together, AEDC and those local groups contributed a total of \$1.4 million dollars.

That got us a third of the way to the needed total cost. Fortunately, larger CDFI investors also saw the need, including RCAC and the Northern California Community Loan Fund. Both organizations provided investment capital equal to the local investment, bringing another \$2.8 million to the project. These outside investors leveraged local dollars ultimately making this project possible.

