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URBAN INITIATIVE BOARD

Report to the
Minnesota
Legislature
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positively Department of Employment
and Economic Development
Minnesota



URBAN INITIATIVE BOARD

Report to the Minnesota Legislature, 2003

Minnesota Statutes 116M.17, subd. 4, requires the Urban Initiative Board to “. . . submit an annual report to the legislature of an accounting of loans made . . . including information on loans to minority business enterprises, the impact on low-income areas, and recommendations concerning minority business development . . .”. The Department of Employment and Economic Development provides administrative support to the Board and this program.

A ten-member Board now oversees this program, consisting of two state agency heads or their designees, and eight public members appointed by the Governor. This board is composed of the following members:

Matt Kramer (Chair), Commissioner, Dept. of Employment & Economic Development
Rick Aguilar, Metropolitan Council (Designee)
Richard Antell, MN American Indian Chamber of Commerce
Julie Causey, Western Bank
Brenda Colston, K.L. Title Company
C. Ting Insixiengmay, Asian Pages
Theresa Upton, American Family Insurance
Tzianeng Vang, S.a.f.e. Driving School Corp.
Val Vargas, MN Hispanic Chamber of Commerce

Urban Initiative Loan Program

The Urban Initiative Program was created in 1993 to strengthen minority enterprise development, encourage private investment, create jobs for people of color and low-income persons, and promote economic development in Minneapolis, St. Paul, and nine inner-ring suburbs (Anoka, Columbia Heights, Hopkins, Lauderdale, Lexington, Osseo, St. Anthony, Spring Park, and West St. Paul). It does this primarily by making loans to new and expanding businesses in these cities.

Urban Initiative loans are made through a network of certified nonprofit organizations (see **Appendix 1** for a current listing). These organizations receive grants, which they use to make loans to qualifying businesses. In most cases, the state's funds must be matched with funds from private, non-government sources. These pools of state and private funds are used by the nonprofit organization to make loans from \$10,000 to \$300,000. Businesses eligible for loans include technologically innovative industries, value-added manufacturing, and information industries. Micro enterprises, which generally employ less than five people, are also eligible for loans from \$1,000 to \$25,000. These micro enterprises can include retail businesses.

Individuals and businesses operating in one of nine cities targeted by statute apply directly with one of the organizations noted above. The organizations carefully consider the application, the nature of the business and management, its potential for success and repayment, and its projected impact on the community. If the application is given initial approval, it is forwarded to the Department for final consideration.

Lending Activities in 2003

Lending Activity. During fiscal year 2003, the Department received loan applications from 35 businesses, and it approved 30, totaling \$994,385. The average total loan is \$68,592. The state contributed an average of \$33,146 to each loan, ranging from \$150,000 to \$1,625. The median amount of state funds was \$17,500. These loans helped to leverage slightly under \$5.5 million in additional investment. **Table 1** shows the distribution of the state's investment by type of business, and their projected job creation.

Table 1. FY 2003 Urban Initiative Projects

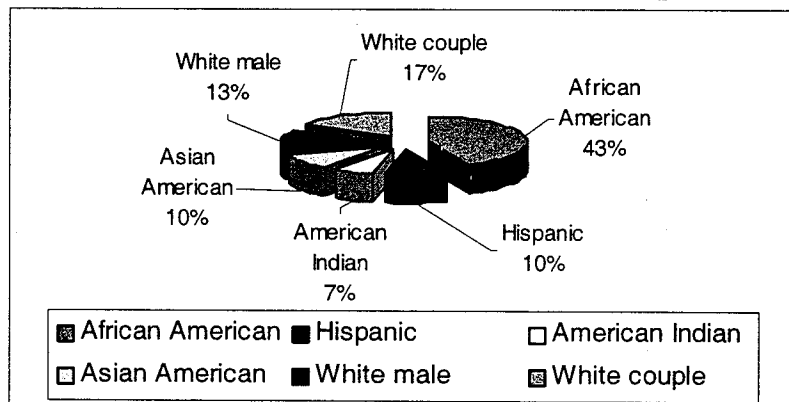
<i>Business Sector</i>	<i>No. of Projects</i>	<i>State Investment</i>	<i>Total Loan</i>	<i>Ave. Loan</i>	<i>Project Cost</i>	<i>Projected Jobs</i>	<i>Average Wages</i>
<i>Agriculture</i>	1	\$1,625	\$3,250	\$3,250	\$3,250	2	\$8.00
<i>Construction</i>	1	\$25,000	\$25,000	\$25,000	\$100,000	2	\$15.00
<i>Manufacturing</i>	3	\$227,750	\$455,500	\$151,833	\$4,246,000	109	\$9.70
<i>Transportation</i>	2	\$14,960	\$27,960	\$13,980	\$53,285	0	\$0.00
<i>Wholesale</i>	2	\$225,000	\$450,000	\$225,000	\$450,000	16	\$11.80
<i>Retail</i>	13	\$219,000	\$278,000	\$21,385	\$629,188	19.5	\$7.66
<i>Service</i>	8	\$281,050	\$821,050	\$102,631	\$1,040,422	36	\$10.90
Total	30	\$994,385	\$2,060,760	\$68,692	\$6,522,145	184.5	\$9.95

As you can see, the borrowers projected that their businesses would create a total of 184 jobs paying an average wage of \$9.95 per hour.

Four large projects – the Franklin Street Bakery, Global Imports & Trading, The Credit Department, and West Side Community Health Services – represent a total investment of \$525,000 in state funds. Global Imports is a wholesaler of hand-tied oriental rugs. The Credit Department contracts with small to medium sized company to provide credit management services. On the other hand, the smallest investment was to Florenz Lawn Care, which involved only \$1,625 in state funds

As shown in **Figure 1** below, minority business owners received 70% of the loans made through this program in 2003.

Figure 1. FY 2003 Business Ownership



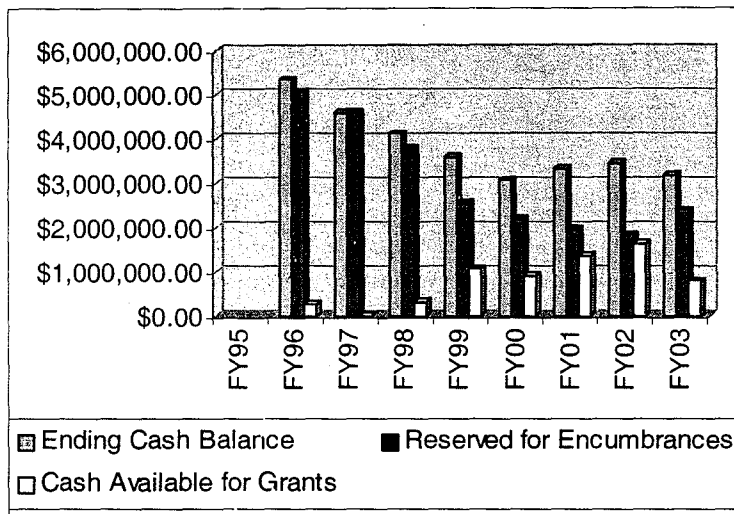
A more detailed listing of businesses that received Urban Initiative loans in FY2003 is attached as **Appendix 2**.

Program Since 1995

Between January 1995 and June 30, 2003, the Urban Initiative Program has made 388 loans to 306 businesses. It has committed a total of \$7,740,679 in state funds and helped generate an estimated \$37.7 million in total business investment. The average state investment per loan was \$19,950, while the median investment was \$10,000. The average total loan, including the private funds used to match the state's investment, is \$40,623 while the median total loan was \$20,000.

Financial Position. Appendix 3 shows the Program's balance sheet and cash flows for each of its nine fiscal years. The cash fund balance of the Urban Initiative Fund as of June 30, 2003 was \$3,178,792, of which \$2,384,986 was committed to the participating organizations. The remaining \$793,806 is available for further allocation to existing or new organizations. Figure 2 shows the changes in the Program's cash balances since 1996.

Figure 2. Change in Program Cash Balance



Since its inception, the Program has received a total of \$3,463,868 in principal repayments, as well as \$1,608,045 in investment earnings. It has only received \$7,258 in interest repayments because the Board allows the participating organizations to retain repaid interest to cover a portion of their operating expenses.

The Program has disbursed a total of \$283,267 in "grant" funds, primarily in the form of technical assistance to businesses receiving loans. Participating organizations can request that up to \$3,000 in technical assistance funds be set aside for a specific business. The organizations then invoice the Department for expenses actually incurred. At the end of FY 2003, a total of 172 businesses have received assistance through these funds.

Business Sectors. The program has supported a wide variety of businesses. The **Table 2** below shows the distribution of the state's investment in these businesses using Standard Industrial Classifications codes.

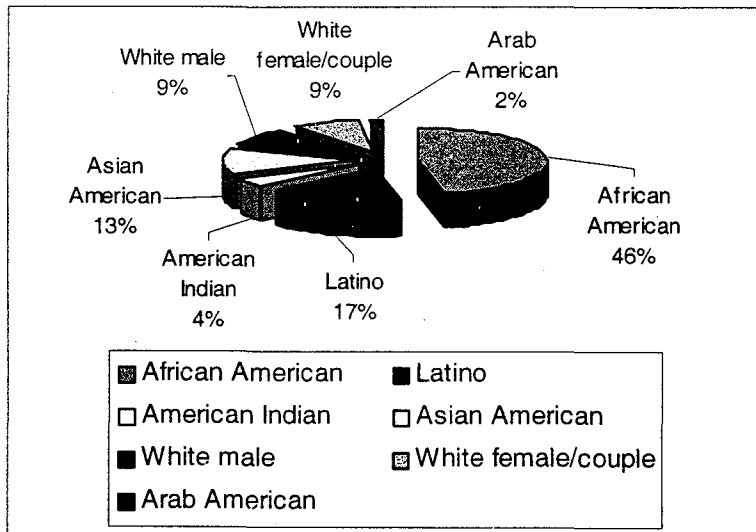
Table 2. State Funds by Business Sector

<i>Business Sector</i>	<i>No. of Projects</i>	<i>State Investment</i>	<i>Average State Investment</i>	<i>Total loan Amount</i>	<i>Average Loan Amount</i>	<i>Total Project Cost</i>
Agriculture	7	\$204,125	\$29,161	\$408,250	\$58,321	\$565,680
Construction	23	\$397,287	\$17,273	\$780,575	\$33,938	\$1,411,075
Manufacturing	62	\$1,955,909	\$31,547	\$3,975,544	\$64,122	\$15,193,597
Transportation	17	\$564,741	\$33,220	\$1,141,043	\$67,120	\$1,229,368
Wholesale	19	\$618,847	\$32,571	\$1,242,900	\$65,416	\$1,673,900
Retail	124	\$1,022,361	\$8,245	\$2,088,614	\$16,844	\$8,982,834
FIRE	8	\$162,350	\$20,294	\$484,100	\$60,513	\$909,900
Service	128	\$2,815,057	\$21,993	\$5,640,806	\$44,069	\$9,724,060
Total	388	\$7,740,677	\$19,950	\$15,761,832	\$40,623	\$39,690,414

As you can see businesses in the service and retail sectors lead the way, while businesses in the agricultural service and financial services sectors have the fewest number of loans. On the other hand, businesses in the transportation and wholesale sectors received the largest average state investment, while retail businesses received the smallest.

Ownership. The Urban Initiative Program is intended to support the development of non-traditional entrepreneurs, especially minorities and women. The ownership of the businesses, which have received loans through the Program, reflects this focus. As of June 30, 2003, 83% of all Urban Initiative loans were made to businesses owned by people of color. African-Americans have received a total of 181 loans, followed by Latino (66) and Asian-American (51) business owners. European-American males have received 34 loans or 9% of the total. **Figure 3** below provides a percentage breakdown.

Figure 3. Percent of Loans by Racial Group



In terms of gender, 220 loans have been made to male-owned businesses, while female-owned businesses have received 120 loans. Businesses owned by two or more individuals, generally a married couple or family, have received 47 loans.

One hundred fifty-two loans have been made to startup businesses, i.e., those operating less than one year, while 193 loans were made to companies expanding their operations. Forty-four loans

have been made to retain a business operation. In these situations, loans were made to prevent the loss of jobs by the business closing down or moving its operations.

Employment. The Urban Initiative Program is also intended to support the creation of job opportunities in its targeted cities. **Table 3** below indicates the total number of jobs created with the support of the Program, excluding the owners of the businesses.

Table 3. Jobs Created by Industry Sector

<i>Type of Business</i>	<i>Number of Loans</i>	<i>State \$ Invested</i>	<i>Projected Jobs</i>	<i>Projected Ave. Wages</i>	<i>Actual Jobs</i>	<i>Actual Ave. Wages</i>	<i>State \$ per Job</i>
Service	45	\$1,309,581	306	\$12.09	332	\$12.64	\$3,944.52
FIRE	1	\$32,600	3	\$8.10	4	\$8.10	\$8,150.00
Retail	49	\$506,525	146	\$9.22	241	\$9.61	\$2,101.76
Wholesale	7	\$343,750	26	\$13.99	32	\$17.29	\$10,742.19
Transportation	3	\$215,960	20	\$11.11	16	\$10.01	\$13,497.50
Manufacturing	17	\$826,750	236	\$10.90	100.5	\$12.83	\$8,226.37
Construction	2	\$50,000	6	\$25.00	3	\$15.00	\$16,666.67
Agriculture	5	\$161,625	40	\$13.00	36	\$13.78	\$4,489.58
Total/Average	129	\$3,446,791	783	\$11.39	764.5	\$12.06	\$4,508.56

The loans reported in Table 3 above are the number that were “active” as of this report, i.e., businesses that are operating and currently repaying Urban Initiative loans. The job information does not include loans to businesses that have repaid their loans (133) or businesses that have closed and/or defaulted on their loans (106). Once a business has repaid its loan, it is not asked to report their performance to the Department.

Overall, the average actual wages paid by these companies was \$12.06 per hour. As of June 2003, these “active” businesses had created 764 jobs, or one job for every \$4,508 of state funds invested. At the time these same businesses applied for a loan, they projected creating 783 jobs, paying an average of \$11.39 per hour.

As indicated, three business sectors – Manufacturing, Retail, and Service – made up the vast majority of the “active” businesses. The retail and service sectors created more jobs and paid higher wages than they had projected. Manufacturers, however, actually reported creating less than half of their projections. Much of this discrepancy was due to one project that was projected to create 96 jobs as a result of the construction of a new, larger facility. This building was in the process of being built at the time reports were due.

The retail businesses that have received Urban Initiative loans include a significant number of restaurants and catering businesses. Of the 49 active loans, 22 of them went to restaurants, generating a total of 179 jobs. These jobs paid an average of \$9.92 per hour, though most did not include any benefits. In addition, retail businesses created the most number of jobs for the smallest state investment. As noted in Table 3, the average state investment per job was \$2,102 – far less than other sectors. This may be due in part to the cap imposed by the statutes on the state’s investment on retail businesses (\$25,000).

It is striking how the reported jobs were distributed among these active businesses. As you can see in Table 4, a total of 34 businesses reported creating no jobs or did not report, while 41

businesses reported creating one to two jobs each. On the other hand, seven businesses reported creating more than 21 jobs each, for a total of 362. A temporary staffing service, catering business, and electronics manufacturer reported creating a total of 253 jobs.

Table 4. Job Creation by Business

Number of Jobs Created	Businesses Reporting	Number of Jobs Reported
No jobs	18	0
1 to 2 jobs	41	60
3 to 5 jobs	21	75
6 to 10 jobs	20	149
11 to 20 jobs	9	118
+21 jobs each	7	362
No report	16	0
Total	132	764

Repayment. As of June 30, 2003, 133 loans to 113 businesses have been paid in full (\$2,142,450), representing 28% of the state’s original investment. As noted above, principal repayments since 1995 total \$3,463,868.

On the other hand, 69 loans to 55 businesses have been written off, for a total of \$877,271 — or 11% of the state’s total contribution to the program. The average amount written off is \$12,714. Twelve loans made to five businesses represent 54% of the total amount, or \$390,577. If these twelve loans were removed from the portfolio, the percentage of funds lost would drop to 6%.

Fig. 4. No. of active loans, paid, written off

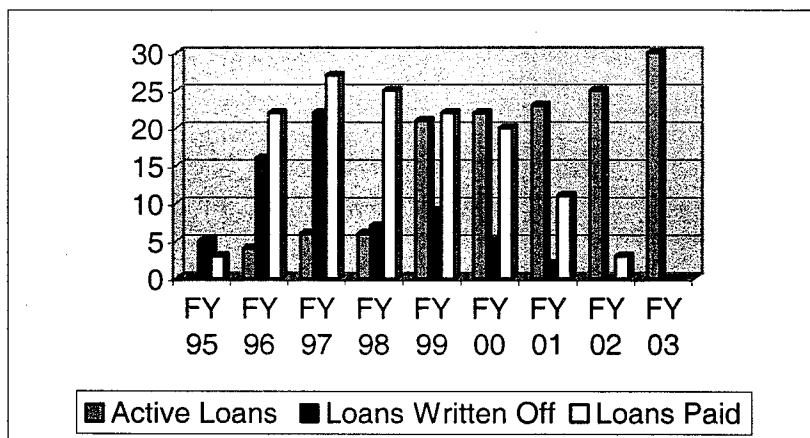


Figure 4 above shows the status of the loans made in each fiscal year since 1995. For example, of the eight loans that were made in FY 1995 (ending June 30), five have been written off and three have been paid in full.

In addition to the loans that have been formally written off, 18 more loans totaling \$377,201, have been tied up in the bankruptcy of by the Frogtown Action Alliance. As reported earlier, the FAA experienced significant financial problems in 1999, and subsequently closed its offices after filing for bankruptcy.

The loans FAA made with Urban Initiative funds became part of the bankruptcy proceeding and have since been handled by the Trustee. The likelihood of any repayment is very remote, and these loans will be written off when the Trustee finally concludes the case – probably during this calendar year.

Generally, the business failures noted above could be attributed to a lack of market demand, competition from other businesses, and missteps by management, particularly involving the financial management of the business. In a number of cases, personal events contributed to the closures, including the death of two entrepreneurs, and severe illness in the case of three others. These losses should not be altogether surprising in light of the businesses that the Program supports. Most of the entrepreneurs participating in the Program have very limited experience in operating a business. Many are undercapitalized and have very small margins for error if problems occur.

Program administration

Profit Based Financing. Five of the businesses receiving loans through the Urban Initiative Program funds used REBA free, or profit based, financing. This type of financing does not charge interest, rather, a specific amount of profit is added to the loan amount. This financing will usually take the form a buy-sell agreement in which the financing agency actually purchases the equipment or other item, and then resells it to the business. This type of financial support is available to those who, primarily for religious reasons, do not feel that they can take out a typical loan. This is particularly the case for Muslims.

Index of Program Activities. Starting in 2002, DEED developed an index of program activities based on ten measures of organization and business performance. These ten measures were developed using stake holder and Board input, and include: job creation, business survival, communities served, business profitability, state funds charged off, technical assistance provided, state funds used to create jobs, business repayments, the rate of funds disbursed, and average wages paid.

The Board also established goals or benchmarks for each of these measures that it thought would reflect an acceptable level of achievement for the program.

These measures were then combined into one index score for the program as a whole and each organization. Visually this enables scores to be entered on a scatter chart so one can more easily see how loans and activities of one organization compare with the program's overall objectives. For this second year, the organization and program's overall scores are shown on **Appendix 4**.

A word of caution in reviewing this information and trying to compare the activities of one organization with those of another – don't. If comparisons are necessary they should be between the organization and the program's benchmarks. This same note of caution should have been included in the 2002 annual report when we first included this index.

As you can see, the information we collect reflects the performance of **both** the organizations participating in the Program (e.g., minority communities served, technical assistance provided, state funds charged off, rate of funds disbursed), and the businesses receiving the loans (e.g., job creation, business profitability, wages paid, business survival). In examining these measures it is

important to remember that performance of the one group can and does affect the other. The technical assistance provided by an organization – if used effectively – can increase a business’s survival rate and profitability. A profitable business is less likely to default on a loan.

Because the performance of organizations and businesses are intertwined, and each organization has a different mission, expertise, geographic area, and customer base, comparing one with another can be unfair and misleading.

Nevertheless, we will continue to collect information about these ten indices because we think these measures are important in evaluating how well the Urban Initiative Program is achieving its overall objectives.

Summary

The Board and the Department will continue to monitor this program and welcome any comments or suggestions to increase its effectiveness. For more information on this report or the Urban Initiative Program, please call Bart Bevins at 651/297-1170.

Urban Initiative Program Certified Partners

June 2003

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**Appendix 2
Urban Initiative Loans - FY 2003**

Project Name	State Amount	Total Loan	Total Project	Location	SIC Code	Race *	Gender **	Start ***	No./Jobs /Expand Projected	Wages Projected	Total Wages	Project Number	Organization
FY2003													
Florenz Lawn Care	\$1,625.00	\$3,250.00	\$3,250.00	St. Paul	782	1	1		1	2	\$8.00	16	UICG-02-0021-a-FY03 NDC
Two Buffalo, Inc.	\$25,000.00	\$25,000.00	\$100,000.00	Minneapolis	1761	3	1		2	2	\$15.00	30	UICG-03-0006-a-FY03 MEDA
AIBDC/Franklin Bakery	\$150,000.00	\$300,000.00	\$3,960,000.00	Minneapolis	2051	5	1		2	96	\$9.60	921.6	UICG-02-0029-a-FY03 MEF
Profits Journal	\$12,500.00	\$25,000.00	\$25,000.00	Columbia Heights	2721	5	1		2	3	\$13.50	40.5	UICG-03-0008-a-FY03 ACEDP
Innovative Chemical Corporation	\$65,250.00	\$130,500.00	\$261,000.00	St. Paul	2841	4	1		2	10	\$9.50	95	UICG-03-0014-a-FY03 MEDA
Aggressive Trucking	\$4,960.00	\$4,960.00	\$13,285.00	St. Paul	4212	1	1		1	0	\$0.00	0	UICG-03-0009-a-FY03 NDC
Alamin Travel, Inc.	\$10,000.00	\$20,000.00	\$40,000.00	Minneapolis	4724	1	1		2	na	na		UICG-03-0002-a-FY03 PCDC
Global Imports & Trading	\$150,000.00	\$300,000.00	\$300,000.00	St. Paul	5023	4	1		2	12	\$11.20	134.4	UICG-02-0032-a-FY03 MGF
Armor Security	\$75,000.00	\$150,000.00	\$150,000.00	Minneapolis	5063	2	2		2	4	\$13.85	55.4	UICG-02-0030-a-FY03 MGF
General Merchandise	\$10,000.00	\$10,000.00	\$15,000.00	St. Paul	5399	1	2		2	na	na		UICG-02-0026-a-FY03 NDC
Golden Harvest Foods, LLC	\$25,000.00	\$25,000.00	\$25,000.00	St. Paul	5411	4	1		2	1	\$7.00	7	UICG-02-0028-a-FY03 NDC
Mercadito Mi Axochiapan	\$24,000.00	\$48,000.00	\$75,000.00	Minneapolis	5411	2	2		1	1	\$8.00	8	UICG-03-0019-a-FY03 PCDC
Bolay International, Inc.	\$25,000.00	\$25,000.00	\$35,980.00	Minneapolis	5421	1	1		1	2	\$7.00	14	UICG-02-0031-a-FY03 NDC
International Clothing Bazaar	\$5,000.00	\$5,000.00	\$5,718.50	St. Paul	5651	1	2		2	na	na		UICG-03-0021-a-FY03 NDC
Household Furniture Outlet	\$25,000.00	\$25,000.00	\$40,000.00	Minneapolis	5712	1	1		1	1	\$8.00	8	UICG-03-0017-a-FY03 NDC
Abetto's Pizzeria	\$25,000.00	\$45,000.00	\$100,000.00	St. Paul	5812	5	3		2	4	\$8.00	32	UICG-03-0020-a-FY03 SPARC
Café Mi Pueblo	\$15,000.00	\$30,000.00	\$40,000.00	St. Paul	5812	2	1		2	3	\$7.65	22.95	UICG-03-0015-a-FY03 NDC
Casablanca Trading Company	\$25,000.00	\$25,000.00	\$205,000.00	Minneapolis	5812	1	3		1	5	\$7.50	37.5	UICG-02-0025-a-FY03 MCCD
Sahara Restaurant	\$5,000.00	\$5,000.00	\$7,640.00	Minneapolis	5812	1	3		1	1	\$7.00	7	UICG-02-0022-a-FY03 NDC
Anthony Shane Florist	\$10,000.00	\$10,000.00	\$10,000.00	Minneapolis	5992	5	1		3	na	na		UICG-02-0024-a-FY03 MCCD
Circus Maximus	\$20,000.00	\$20,000.00	\$59,850.00	Minneapolis	5992	5	2		1	1.5	\$8.65	12.975	UICG-03-0007-a-FY03 WV
Towfig Trading	\$5,000.00	\$5,000.00	\$10,000.00	St. Paul	5999	1	1		1	na	na		UICG-03-0013-a-FY03 NDC
Latifa's Beauty Salon	\$12,500.00	\$12,500.00	\$15,000.00	Minneapolis	7231	1	1		1	1	\$17.00	17	UICG-03-0003-a-FY03 PCDC
Paris Little Hair House	\$20,000.00	\$40,000.00	\$117,000.00	St. Paul	7241	1	1		2	2	\$10.00	20	UICG-03-0012-a-FY03 NEAR
The Credit Department, Inc.	\$125,000.00	\$125,000.00	\$250,000.00	West St. Paul	7322	5	2		2	10	\$16.00	160	UICG-03-0010-a-FY03 MGF
Eagle Employment, Inc.	\$6,250.00	\$12,500.00	\$25,000.00	Minneapolis	7363	3	3		1	12	\$8.00	96	UICG-02-0034-a-FY03 MEDA
Transbike Systems, Inc.	\$10,000.00	\$20,000.00	\$20,000.00	Columbia Heights	7389	5	2		3	na	na		UICG-03-0005-a-FY03 ACEDP
Brodini Comedy Magic Show	\$3,550.00	\$3,550.00	\$5,922.00	St. Paul	7929	5	1		1	na	na		UICG-03-0018-a-FY03 NDC
West Side Community Health Services	\$100,000.00	\$600,000.00	\$600,000.00	St. Paul	8011	na	na		2	9	\$9.40	84.6	UICG-03-0004-a-FY03 MEF
Moore Board & Lodge	\$3,750.00	\$7,500.00	\$7,500.00	Minneapolis	8051	1	2		2	2	\$7.50	15	UICG-02-0033-a-FY03 NDC
30	\$17,500.00	\$25,000.00	\$37,990.00	Median									
	\$33,146.17	\$68,592.00	\$217,404.85	Average									
	\$994,385.00	\$2,057,760.00	\$6,522,145.50	Total						184.5	\$9.95	1834.925	

Project Name	State Amount	Total Loan	Total Project	Location	SIC Code	Race *	Gender **	Start/Expand ***	No./Jobs Projected	Wages Projected	Project Number	Organization
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26-Jun-03

Race: 1=African American; 2=Hispanic;
3=American Indian; 4=Asian American;
5=European American; 6=Middle Eastern
Gender: 1=male; 2=female; 3=multiple
Start=1; Expand=2; Retain=3

BS=business sold
BC=business closed
wo= written off
PO=paid off

Appendix 3. Urban Initiative Loan Fund

Balance Sheet	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	Total
Assets										
Cash	\$5,865,000.00	\$5,355,557.79	\$4,583,071.15	\$4,120,831.54	\$3,602,793.17	\$3,059,121.36	\$3,323,293.72	\$3,464,115.44	\$3,178,792.12	
Loans Receivable	\$135,000.00	\$893,129.08	\$1,958,760.60	\$2,543,853.30	\$3,248,131.45	\$3,943,509.46	\$3,833,768.70	\$3,480,855.04	\$3,794,773.78	
Total Assets	\$6,000,000.00	\$6,248,686.87	\$6,541,831.75	\$6,664,684.84	\$6,850,924.62	\$7,002,630.82	\$7,157,062.42	\$6,944,970.48	\$6,973,565.90	
Fund Balance										
Reserved for Encumbrances	\$6,000,000.00	\$5,078,511.27	\$4,583,071.15	\$3,803,306.55	\$2,549,061.22	\$2,167,771.43	\$1,962,277.49	\$1,829,346.49	\$2,384,986.13	
Unreserved Retained Earnings	\$0.00	\$1,170,175.60	\$1,958,760.60	\$2,861,378.29	\$4,301,863.40	\$4,834,859.39	\$5,194,784.93	\$5,115,623.99	\$4,588,579.77	
Total Fund Balance	\$6,000,000.00	\$6,248,686.87	\$6,541,831.75	\$6,664,684.84	\$6,850,924.62	\$7,002,630.82	\$7,157,062.42	\$6,944,970.48	\$6,973,565.90	
Statement of Cash Flows										
Operating Activities										
Loan Repayments:										
Interest		\$2,038.02			\$1,504.95	-\$188.48	\$2,892.02	\$935.04	\$77.31	\$7,258.86
Principle		\$2,422.42	\$251,130.63	\$267,507.30	\$387,754.21	\$532,548.49	\$858,004.92	\$673,452.57	\$491,048.19	\$3,463,868.73
Investment Interest		\$271,086.08	\$349,790.23	\$179,612.13	\$216,416.86	\$192,574.30	\$188,499.32	\$127,030.03	\$83,036.26	\$1,608,045.21
Operating Cash Inflows		\$275,546.52	\$600,920.86	\$447,119.43	\$605,676.02	\$724,934.31	\$1,049,396.26	\$801,417.64	\$574,161.76	\$5,079,172.80
Loans Issued	-\$135,000.00	-\$760,551.50	-\$1,316,762.15	-\$852,600.00	-\$1,092,032.36	-\$1,227,926.50	-\$766,750.00	-\$621,131.00	-\$844,360.36	-\$7,617,113.87
Grants		-\$24,437.23	-\$56,645.35	-\$56,759.04	-\$31,682.03	-\$40,679.62	-\$18,473.90	-\$39,464.92	-\$15,124.72	-\$283,266.81
Operating Cash Outflows	-\$135,000.00	-\$784,988.73	-\$1,373,407.50	-\$909,359.04	-\$1,123,714.39	-\$1,268,606.12	-\$785,223.90	-\$660,595.92	-\$859,485.08	-\$7,900,380.68
Net Operating Cash Flows	-\$135,000.00	-\$509,442.21	-\$772,486.64	-\$462,239.61	-\$518,038.37	-\$543,671.81	\$264,172.36	\$140,821.72	-\$285,323.32	-\$2,821,207.88
Noncapital Financing										
State Appropriation	\$6,000,000.00									
Net change in Cash	\$5,865,000.00	-\$509,442.21	-\$772,486.64	-\$462,239.61	-\$518,038.37	-\$543,671.81	\$264,172.36	\$140,821.72	-\$285,323.32	-\$2,821,207.88
Beginning Cash Balance	\$5,865,000.00	\$5,865,000.00	\$5,355,557.79	\$4,583,071.15	\$4,120,831.54	\$3,602,793.17	\$3,059,121.36	\$3,323,293.72	\$3,464,115.44	
Ending Cash Balance	\$5,865,000.00	\$5,355,557.79	\$4,583,071.15	\$4,120,831.54	\$3,602,793.17	\$3,059,121.36	\$3,323,293.72	\$3,464,115.44	\$3,178,792.12	\$3,178,792.12

Appendix 4. Program Index

UI Program Index

Program Average	ACEDP	MCCD	MEDA	MEF	MGF	NDC	SPARC	PCDC	REDA	WV	Program Goal	
1 % of Target Jobs	24.3%	187.0%	103.7%	138.1%	130.2%	164.1%	58.0%	123.1%	140.0%	106.3%	100.0%	
2 Bus. Survival/3 yrs.	50.0%	89.0%	78.0%	80.0%	89.0%	46.0%	92.0%	92.0%	80.0%	100.0%	60.0%	
3 % Community Served	8.3%	61.0%	100.0%	77.3%	95.0%	91.0%	58.0%	100.0%	83.3%	55.6%	85.0%	
4 Bus. Profitability		73.0%	41.0%	50.0%	10.0%	15.0%		14.0%	100.0%	63.0%	60.0%	
5 Loan Loss	33.4%	7.4%	14.6%	8.0%	8.5%	20.7%	0.8%	7.8%	4.8%	11.7%	10.0%	
6 TA Provided	47.1%	15.0%	25.7%	10.0%	0.0%	51.9%		90.0%	30.4%	86.6%	50.0%	
7a State Invest/job	\$18,600.00	\$2,013.00	\$3,699.44	\$15,500.55	\$8,643.29	\$6,723.39	\$9,106.00	\$7,337.50	\$7,751.71	\$12,312.50	\$5,000.00	
7b % State Investment	20.3%	2.2%	4.0%	16.9%	9.4%	7.3%	9.9%	8.0%	8.5%	13.4%	10.0%	
8 Repayment	5.7%	64.0%		36.0%	93.0%	49.0%	90.0%	35.0%	100.0%	100.0%	70.0%	
9 Funds Disbursed	9.7%	6.5%	8.8%	9.7%	10.0%	8.4%	7.3%	9.6%	4.4%	8.4%	20.0%	
10a Wages Paid	\$20.17	\$11.00	\$11.83	\$9.20	\$15.24	\$9.18	\$13.27	\$12.28	\$17.43	\$10.59	\$10.50	
10b % of Target Wages	192.1%	104.8%	112.7%	87.6%	145.1%	87.4%	126.4%	117.0%	166.0%	100.9%	100.0%	
Index Score	64.70	38.57	70.65	63.89	58.44	66.99	60.55	53.22	68.46	80.49	71.04	64.09
Loans	14	27	60	44	23	139	19	27	12	9		

Program Average	ACEDP	MCCD	MEDA	MEF	MGF	NDC	SPARC	PCDC	REDA	WV	Program Goal	
Index Score	64.70	38.57	70.65	63.89	58.44	66.99	60.55	53.22	68.46	80.49	71.04	64.09

- 1=actual jobs reported/number of jobs projected
- 2= as reported by organization
- 3=number of minority business owners/total number of business owners
- 4= as reported by organization
- 5=loan amount written off/total amount of state funds lent
- 6=amount of TA funds reports/total administrative expenditures reported
- 7a=total state investment (less loans paid off)/actual jobs reported
- 7b=state invest/job vs total of state investment/job
- 8=amount paid to state/amount due+amount past due
- 9=state funds disbursed/amount allotted on an annual basis
- 10a=average wage determined for each organization
- 10b=actual wages paid/target wages

