

URBAN INITIATIVE BOARD

Report to the Minnesota Legislature, 2008

Minnesota Statutes 116M.17, subd. 4, requires the Department of Employment and Economic Development (DEED) to submit an annual report to the Legislature that details loans made and includes information on loans to minority business enterprises, the economic impact on low-income areas, and makes recommendations concerning minority business development. DEED provides administrative support to the Urban Initiative Program.

Urban Initiative Loan Program

The Urban Initiative Program was created in 1993 to strengthen minority enterprise development, encourage private investment, create jobs, and promote economic development in low-income areas of Minneapolis, St. Paul, and the suburbs of Anoka, Blaine, Bloomington, Brooklyn Center, Brooklyn Park, Columbia Heights, Crystal, Fridley, Hopkins, Lauderdale, Lexington, New Hope, Osseo, Richfield, St. Anthony, St. Francis, St. Louis Park, Spring Park, South St. Paul, and West St. Paul. The program accomplishes these goals by making loans to new and expanding businesses in these targeted cities.

Urban Initiative loans are made through a network of certified nonprofit organizations. **Appendix 1** includes a list of current participants. The nonprofits 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. The state may lend \$1,000 to \$150,000 to qualifying businesses.

The state's funds must be matched with private funds if the business is seeking more than \$25,000. Businesses eligible for loans include technologically innovative industries, value-added manufacturing, and information industries. Micro enterprises, which generally employ fewer than five people, are also eligible for loans up to \$25,000. Micro enterprises may include retail businesses.

Individuals and businesses operating in one of targeted cities apply directly with one of the participating organizations. 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 DEED for final consideration.

Lending Activity in 2008

During fiscal year 2008, DEED received 42 loan applications from as many businesses. A detailed listing of the projects is included in **Appendix 2**. DEED reviewed and approved 37 of the applications for a total of \$936,745. The state contributed an average of \$25,317 to each of the proposed business loans, ranging from a minimum of \$5,000 to the maximum of \$150,000. The median amount of state funds invested was \$22,000. This investment helped to leverage about \$3.270 million in additional investment.

Table 1 below shows a breakdown of the state’s investment by type and number of business, as well as total project costs, wages and projected job creation. The businesses receiving loans projected that they would **create** a total of 106 jobs over the next year and would pay an average of \$11.72 per hour, excluding benefits. The average state investment per job created would be \$8,837.

As can be seen the largest number of loans were made to the retail sector, while the largest total amount was invested in five manufacturing businesses. Two of the manufacturing businesses produce food products. Most of the retail businesses receiving Urban Initiative loans were small grocery stores or restaurants. Eight businesses in the service sector projected creating the largest number of jobs, paying the highest wages. A temporary employment agency and a collection agency projected most of the job creation in service sector – a total of 26. Unlike 2007, only one company in the transportation sector received a loan in FY 2008.

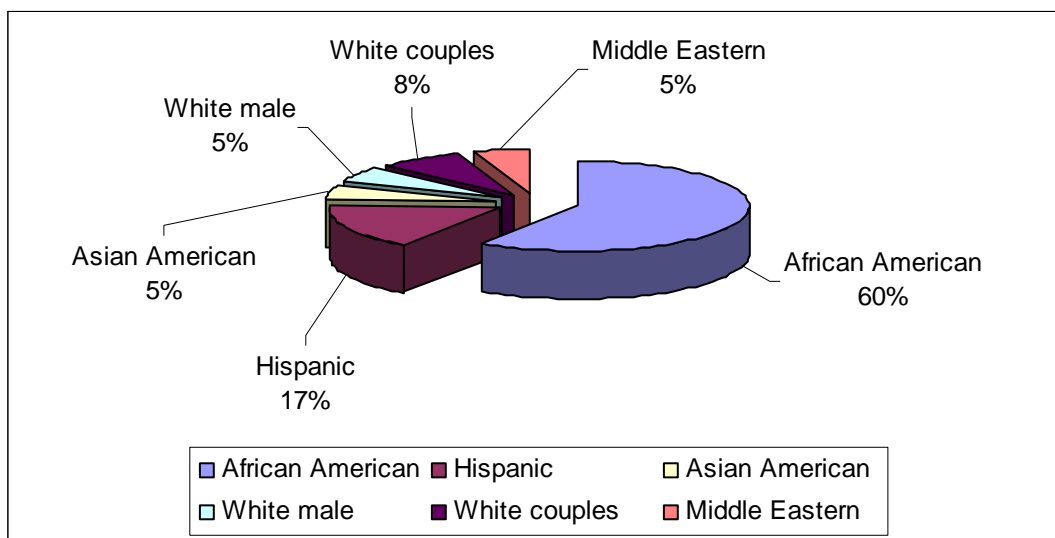
The largest state investment was \$150,000 to Holy Land Foods, for its food production operations. The smallest investment was \$5,000 each to four retail businesses, which included three clothing stores and a cosmetic retailer. No Urban Initiative loans were made to businesses in the financial, insurance, and real estate sector or the agriculture sector. Historically these two sectors have not been active participants in the Program, receiving only 11 and 7 loans respectively since the program’s inception.

Table 1. FY 2008 Urban Initiative Projects

Business Sector	No. of Projects	State Investment	Ave. Investment	Project Cost	Projected Jobs	Projected Wages
Construction	2	\$42,170	\$21,085	\$98,455	6	\$11.00
Manufacturing	5	\$307,975	\$61,595	\$1,990,700	30	\$11.87
Transportation	1	\$17,500	\$17,500	\$40,000	1	\$11.50
Wholesale	2	\$40,000	\$20,000	\$110,000	2	\$9.50
Retail	19	\$285,500	\$15,026	\$1,221,084	32	\$10.38
Service	8	\$243,600	\$30,450	\$747,227	35	\$13.08
Total	37	\$936,745	\$25,317	\$4,207,466	106	\$11.72

As shown in **Figure 1** below, minority business owners received 87 percent of program loans in 2008. As shown below, 60 percent of the loans went to businesses owned by African Americans. In many of these cases, recipients were recent immigrants to the United States, primarily coming from East Africa. Most of the owners - 48 percent - were men while 22 percent of the businesses were owned by women. The remaining 30 percent of businesses were owned by two or more people. In many cases the owners are married couples. This percentage is much higher than in previous years.

Figure 1. FY 2008 Business Ownership



Program Since 1995

Between January 1995 and June 30, 2008, the Urban Initiative Program has made 624 loans to 514 businesses. It has committed a total of \$12.7 million in state funds and helped generate an estimated \$51 million in additional business investment. The average state investment per loan is \$20,391, while the median investment is \$10,000. The average total loan, including the private funds used to match the state’s investment, was \$39,781, while the median total loan is \$20,000.

Financial Position. Appendix 3 shows the program’s balance sheet and cash flows for each of the last 14 years. The cash fund balance of the Urban Initiative Fund as of June 30, 2008 was \$2,476,731, of which \$2,086,687 had been committed to the participating organizations. The remaining \$390,044 was available for further allocation to existing or new organizations.

Table 2 below summarizes the Fund’s activities since 1995. Since its inception, the program has received a total of \$6.63 million in principal repayments, as well as \$1.998 million in interest earned through investment of program funds. In addition, the program has received \$20,186 in loan interest repayments. The interest repayments are nominal because the program allows the participating organizations to retain repaid interest to cover a portion of their operating expenses.

On average, the state has disbursed \$901,209 annually, while it has received \$510,000 in principle loan payments. The program has received more in loan repayments than it disbursed only in 2001 and 2002.

Table 2. Urban Initiative Fund Activity

Fiscal Year	Loan Disbursements	Repayments		Write-offs
		Interest	Principal	
1995	\$135,000.00			
1996	\$760,551.50	\$2,038.02	\$2,422.42	
1997	\$1,316,762.15		\$251,130.63	

1998	\$852,600.00		\$267,507.30	
1999	\$1,092,032.36	\$1,504.95	\$387,754.21	
2000	\$1,227,926.50	-\$188.48	\$532,548.49	
2001	\$766,750.00	\$2,892.02	\$858,004.92	\$18,485.84
2002	\$621,131.00	\$935.04	\$673,452.57	\$300,592.09
2003	\$844,360.36	\$77.31	\$491,048.19	\$39,393.43
2004	\$1,004,693.53	\$561.52	\$635,909.03	\$476,670.95
2005	\$1,094,601.97	\$25.47	\$535,654.91	\$357,437.33
2006	\$1,249,622.08	\$1,095.82	\$546,034.68	\$284,616.16
2007	\$725,900.00	\$11,238.94	\$613,338.22	\$276,780.19
2008	\$924,995.07		\$835,224.80	\$39,558.30
Totals	\$12,616,926.52	\$20,180.61	\$6,630,030.37	\$1,793,534.29
Average	\$901,209.04		\$510,002.34	\$224,191.79

Businesses Assisted. The program lends to wide variety of small businesses that are located in an eligible low-income area. It will not, however, make loans to liquor stores, taverns or saloons, smoke shops, or adult entertainment businesses.

Businesses in the service and retail sectors lead the pack in terms of the number of loans made, while businesses in the agricultural and financial services sectors have the fewest. Businesses in the service and retail sectors received the largest total amount of state investment. It is noteworthy that retail businesses received 22 percent of the state funds, but represented 39 percent of the total number of the projects. This is largely because statute limits to \$25,000 the amount of state funds that may be invested in retail businesses. The “FIRE” category refers to businesses that provide financial, insurance and real estate services.

Table 3 below shows the distribution of the state’s investment in these businesses using Standard Industrial Classifications (SIC) codes.

Table 3. State Funds by Business Sector

	Total \$ Lent	# of loans	Median Lent	Average Lent	% of Total \$ Lent
Agriculture	\$204,125	7	\$35,000	\$29,161	1.6%
Construction	\$1,112,784	37	\$22,500	\$30,075	8.7%
FIRE	\$229,850	11	\$25,000	\$20,895	1.8%
Mfg.	\$2,719,344	80	\$25,000	\$33,992	21.4%
Retail	\$2,867,840	245	\$10,000	\$11,705	22.5%
Services	\$3,459,932	162	\$10,000	\$21,358	27.2%
Trans/Com	\$1,289,652	52	\$23,596	\$24,801	10.1%
Wholesale	\$840,826	30	\$18,250	\$28,028	6.6%
<i>Total</i>	\$12,724,353	624	\$10,000	\$20,391.59	100.0%

Ownership. The Urban Initiative Program is intended to support the development of non-traditional entrepreneurs, especially minorities and women. The ownership of the businesses that have received loans through the program reflects that focus. As of June 30, 2008, 86 percent of all Urban Initiative funds had been lent to minority entrepreneurs. African-Americans have received a total of 319 loans, followed by Latino (103) and Asian-American (71) business owners. White males have received 41 loans. **Figure 2** below provides a percentage breakdown.

In terms of gender, 353 loans (or 63%) have been made to male-owned businesses, while female-owned businesses have received 185 loans (23%). Businesses owned by two or more individuals, generally a married couple or family, have received 86 loans.

Figure 2. Percent of Loan Dollars by Racial Group

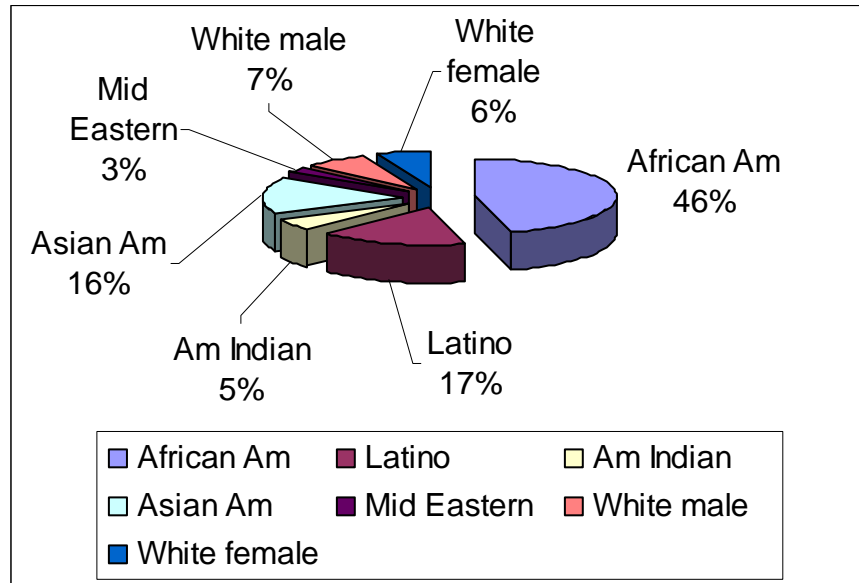


Table 4 provides information about the performance of businesses that are starting up or less than one year old, expanding their operations, or working to remain in business. Startup businesses have received the largest number of loans (267), while existing businesses received the largest amount of state funds – double the amount provided by startups. The amount of loans lost by expansions is also double the amount lost by startups. In all three cases, the average wages paid for the jobs actually created were substantially higher than they were projected.

Table 4. Business Startups/Expansions

	Loans	Retained	Expansion	Startup
# of Loans		95	262	267
Total State Investment		\$1,752,957.48	\$7,386,246.62	\$3,585,148.57
\$ Repaid		\$464,365.98	\$2,973,623.11	\$1,085,792.50
\$ Written Off		\$233,623.12	\$1,331,815.04	\$672,181.15
Average \$ Written Off		\$13,742.54	\$18,244.04	\$8,617.71
No. of Projected Jobs		50	420.5	141.5
Average Wages of Projected Jobs		\$10.41	\$11.69	\$10.16
No. of Actual Jobs		44	158	134.5
Average Wages of Actual Jobs		\$17.38	\$13.53	\$19.40

Employment. The Urban Initiative Program is also intended to support the creation of job opportunities in its targeted cities. Accordingly, DEED asks for information about the total number of jobs created with the support of the program, excluding the owners of the businesses.

Table 5 below reports on only the jobs created by “active” businesses, i. e., those operating and repaying Urban Initiative loans at the end of the 2008 fiscal year. The job information does not include loans to businesses that have repaid loans or businesses that have closed and/or defaulted on loans. Once a business repays a loan, it is no longer asked to report its performance to the DEED. Overall, the average actual wages paid by these companies was \$16.33 per hour, and they created 336 jobs. When the businesses applied for loans, they projected creating 612 jobs and paying an average of \$11.23 per hour.

In order to give a more complete picture of the level of business activity, the Department, as part of the reporting process, requests information regarding the total number of people employed by the businesses, their total payroll, and annual sales. Not all businesses provided information for these three categories and there are likely to be inconsistencies between businesses in how these figures were calculated. Accordingly, these amounts should be viewed with some caution. Nevertheless, they do give a sense for the aggregate impact that small businesses can have. In terms of employment, a total of 91 businesses reported annual gross sales of \$76.5 million for calendar 2007. On the other hand, 65 businesses reported a total payroll of \$27.3 million for the most recent year. Finally, 101 businesses reported employing a total of 824 people, which would include full and part-time employees.

Table 5. Jobs Created by Industry Sector

	# Active Projects	Projected Jobs	Projected Wages	Actual Jobs	Actual Wages	Total State \$ Disbursed	\$ per Job Created
Agriculture	2	18	\$10.91	6	\$20.67	\$97,500	\$16,250
Construction	9	32	\$14.34	60	\$39.23	\$602,170	\$10,036
FIRE	3	8	\$9.91	0	\$0.00	\$87,600	\$0
Mfg.	18	106.5	\$11.02	41	\$17.24	\$810,725	\$19,774
Retail	98	159	\$9.22	136	\$8.67	\$1,483,151	\$10,906
Services	36	231.5	\$12.32	58	\$13.92	\$1,024,475	\$17,663
Trans/Com	26	46.5	\$11.23	27	\$9.07	\$680,000	\$25,185
Wholesale	11	10.5	\$11.87	8	\$11.33	\$455,250	\$56,906
<i>Total</i>	203	612		336	\$16.33	\$5,240,871	\$15,598

Repayment. Since the inception of the program in 1993, a total of 249 loans have been repaid for a total of \$4.5 million, or 35 percent of the total state funds lent. During the same 14-year period, a total of 168 loans have been written off for a total of \$2.24 million. The average amount lost for each loan written off was \$13,319.

Table 6 below provides a simple breakdown of the loans repaid and written off June 30, 2008. The Program has lost 17.7 percent of the state funds invested. Approximately 21 percent of the original amounts of the loans that have been written off have been recovered by the participating organizations.

Generally, businesses have failed for the same reasons that most others have – 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.

Table 6. Loans Paid/Written-off

	# of Loans Paid	Total \$ Paid	# of Loans Written Off	Total \$ Written Off	% of Loans Written Off	% of Funds Recovered
Agriculture	3	\$100,000	2	\$6,625	0.8	74.1
Construction	12	\$273,676	15	\$142,936	12.8	32.6
FIRE	7	\$129,750	1	\$11,538	5	7.7
Mfg.	39	\$1,377,816	23	\$416,447	15.3	21.5
Retail	99	\$906,975	48	\$346,698	12.1	27.4
Services	65	\$1,126,444	61	\$1,067,402	30.9	12
Trans/Com	16	\$430,942	10	\$128,678	10	28
Wholesale	8	\$178,179	8	\$122,206	14.5	41.1
<i>Total</i>	249	\$4,523,782	168	\$2,242,530	17.7	21.3

These losses are not altogether surprising considering that most of the entrepreneurs participating in the program have very limited experience operating a business. Many are undercapitalized and have very small margins for error if problems occur.

Program Administration

During the next fiscal year, the Department hopes to develop a sound basis for calculating the Urban Initiative Program's return on investment. There are examples of similar programs and organization that provide this information to its contributors and we will seek to take advantage of this experience. We 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 651-259-7424.

Appendix 1

Urban Initiative Program Certified Partners

February 2008

African Development Center

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***Metropolitan Consortium
of Community Developers***

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Minneapolis MN 55407
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***American Indian Economic Development
Fund***

David Glass
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St. Paul, MN 55103
651/917-0819

Neighborhood Development Center

Brian Singer
663 University Avenue #200
St. Paul MN 55104
651/291-2480

Central Minnesota Development Co.

Michael J. Mulrooney
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Andover MN 55304
763/784-3337

Riverview Economic Development Assn.

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Metropolitan Econ. Development Assoc.

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SPARC

Allison Sharkey
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651/488-1039

Milestone Growth Fund

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WomenVenture

Jane Lansing
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651/646-3808

Appendix 2. Urban Initiative Loans in FY 2008

Project Name	State Amount	Total Loan	Total Project	Location	SIC Code	Race *	Gender **	Start *** /Expand	No./Jobs Projected	Wages Projected	Total Wages	No./Jobs Actual	Wages Actual	Total Wages	Project Number	Organization
Hayat Beauty Salon	\$11,000.00	\$11,000.00	\$47,000.00	Minneapolis	7231	1	3	1	2	\$10.00	20.00	0	\$0.00	\$0.00	UICG-07-0022-a-FY08	NDC
West Side Grocery, LLC	\$12,500.00	\$25,000.00	\$25,000.00	St. Paul	5411	1	3	3	2	\$8.00	16.00	nr	nr		UICG-07-0024-a-FY08	NDC
Admirable Flooring, LLC	\$17,170.07	\$17,170.07	\$20,455.07	St. Louis Park	1752	1	1	1	3	\$10.00	30.00	0	0	\$0.00	UICG-07-0025-a-FY08	MCCD/NDC
Kulan Deli Express	\$25,000.00	\$25,000.00	\$105,000.00	Minneapolis	5812	1	3	3	2	\$8.65	17.30	2	nr		UICG-07-0026-a-FY08	ADC
Mustaqbal Computer Center	\$25,000.00	\$25,000.00	\$90,000.00	Minneapolis	7378	1	3	2	1	\$11.50	11.50	2	\$11.50	\$23.00	UICG-07-0027-a-FY08	ADC
Hiraan Limousine	\$17,500.00	\$17,500.00	\$40,000.00	Minneapolis	4119	1	1	1	1	\$11.50	11.50	1	\$11.50	\$11.50	UICG-07-0028-a-FY08	ADC
Hiawatha Halal Pizzeria, LLC	\$25,000.00	\$25,000.00	\$96,584.00	Minneapolis	5812	1	3	1	1	\$8.00	8.00	2	\$8.00	\$16.00	UICG-07-0029-a-FY08	ADC
Hopkins Market	\$7,500.00	\$7,500.00	\$25,000.00	Hopkins	5411	1	1	3	0	\$0.00	0.00	nr	nr		UICG-07-0030-a-FY08	MCCD
Kaliti, Inc.	\$25,000.00	\$25,000.00	\$75,000.00	Minneapolis	5411	1	1	2	0	\$0.00	0.00	nr	nr		UICG-07-0031-a-FY08	MCCD
Amal Latest International Fashion	\$7,500.00	\$7,500.00	\$25,000.00	Minneapolis	5712	1	2	2	1	\$8.00	8.00	1	\$8.00	\$8.00	UICG-07-0033-a-FY08	ADC
Stewart on France, LLC	\$12,500.00	\$25,000.00	\$195,000.00	Minneapolis	5812	5	3	1	9	\$11.00	99.00	nr	nr		UICG-07-0035-a-FY08	MCCD
Midwest Auto Repair, LLC	\$17,500.00	\$17,500.00	\$45,127.00	Minneapolis	7538	1	1	2	1	\$10.00	10.00	2	\$10.00	\$20.00	UICG-07-0036-a-FY08	ADC
A-Z Merchandise	\$10,000.00	\$10,000.00	\$20,000.00	Minneapolis	5621	1	2	2	0	\$0.00	0.00	1	nr		UICG-07-0037-a-FY08	ADC
Distribuidora Latino	\$25,000.00	\$25,000.00	\$50,000.00	St. Paul	5141	2	1	2	1	\$10.00	10.00	nr	nr		UICG-07-0038-a-FY08	MCCD
Modapolis, Inc.	\$25,000.00	\$25,000.00	\$30,000.00	Minneapolis	5699	2	2	2	1	\$8.00	8.00	0	0	\$0.00	UICG-07-0039-a-FY08	MCCD
Perfum Plus	\$5,000.00	\$5,000.00	\$10,000.00	Minneapolis	5999	1	1	1	0	\$0.00	0.00	1	nr		UICG-07-0040-a-FY08	ADC
Dur Dur Clothing Store	\$5,000.00	\$5,000.00	\$10,000.00	Minneapolis	5621	1	2	1	0	\$0.00	0.00	1	nr		UICG-07-0041-a-FY08	ADC
Shakespeare Enterprises	\$25,000.00	\$35,000.00	\$35,000.00	Minneapolis	7299	1	3	2	1	\$8.00	8.00	0	0	\$0.00	UICG-07-0042-a-FY08	WV
Stilwell Properties/Patriot Converting	\$65,000.00	\$827,000.00	\$827,000.00	Anoka	2789	5	1	2	8	\$12.50	100.00	15	\$12.50	\$187.50	UICG-07-0043-a-FY08	CMDC
Latin Experience	\$15,100.00	\$15,100.00	\$15,100.00	Bloomington	7383	2	1	2	1	\$12.00	12.00	0	0	\$0.00	UICG-07-0044-a-FY08	MCCD
Urban Gear Clothing	\$8,500.00	\$8,500.00	\$8,500.00	Brooklyn Center	5611	1	1	1	2	\$8.00	16.00	nr	nr		UICG-07-0045-a-FY08	MCCD
Qaale Company, LLC	\$15,000.00	\$15,000.00	\$60,000.00	Minneapolis	5149	1	1	1	1	\$9.00	9.00	1	\$9.00	\$9.00	UICG-07-0046-a-FY08	ADC
Hijaz Clothing & Merchandise	\$5,000.00	\$5,000.00	\$10,000.00	Minneapolis	5621	1	2	3	na	na		1	\$11.50	\$11.50	UICG-07-0047-a-FY08	ADC
K & H, Inc./Lowry Foods	\$12,500.00	\$12,500.00	\$25,000.00	Minneapolis	5411	1	1	3	na	na					UICG-07-0048-a-FY08	MCCD
New Vision Printing	\$31,000.00	\$31,000.00	\$35,000.00	West St. Paul	2752	5	1	2	1	\$10.00	10.00	1	\$10.00	\$10.00	UICG-08-0001-a-FY08	NDC/REDA
Angel Falls, LLC	\$25,000.00	\$25,000.00	\$78,000.00	Bloomington	1799	2	1	1	3	\$12.00	36.00	9	\$14.00	\$126.00	UICG-08-0002-a-FY08	MEDA
Beek Squad, LLC	\$25,000.00	\$425,000.00	\$425,000.00	Blaine	5812	5	3	1	12	\$12.00	144.00				UICG-08-0003-a-FY08	MCCD
Avenue Staffing	\$25,000.00	\$25,000.00	\$75,000.00	Crystal	7363	1	1	2	20	\$12.00	240.00	5	10.6	\$53.00	UICG-08-0004-a-FY08	MCCD/NDC
Ocean Market	\$22,000.00	\$22,000.00	\$29,000.00	Brooklyn Park	5411	4	1	1	1	\$8.00	8.00	0	\$0.00	\$0.00	UICG-08-0005-a-FY08	NDC
Deportes Azteca, LLC	\$22,500.00	\$22,500.00	\$45,000.00	Minneapolis	5941	2	3	3	na	na					UICG-08-0006-a-FY08	MCCD
Rana & Saeed, Inc.	\$50,000.00	\$449,000.00	\$449,000.00	Minneapolis	2051	6	1	2	11	\$11.65	128.15	nr	nr		UICG-08-0007-a-FY08	CMDC
Holy Land Brands, Inc.	\$150,000.00	\$436,000.00	\$436,000.00	Minneapolis	2032	6	1	2	7	\$10.85	75.95	nr	nr		UICG-08-0008-a-FY08	CMDC
MN Best Enterprises	\$25,000.00	\$50,000.00	\$50,000.00	Fridley	8741	4	2	3	3	\$15.90	47.70	nr	nr		UICG-08-0009-a-FY08	MCCD
Hamernik-Harrod, Inc.	\$11,975.00	\$11,975.00	\$243,700.00	Blaine	3491	5	3	2	3	\$14.00	42.00	nr	nr		UICG-08-0010-a-FY08	CMDC
Basim Store	\$5,000.00	\$5,000.00	\$10,000.00	Minneapolis	5621	1	2	2	0	\$0.00	0.00	1	nr		UICG-08-0012-a-FY08	ADC
WWRS, Inc.	\$100,000.00	\$100,000.00	\$390,000.00	St. Paul	7322	1	2	2	6	\$18.12	108.72	19	\$18.12	\$344.28	UICG-08-0013-a-FY08	CMDC
Cuernavaca Market	\$25,000.00	\$25,000.00	\$52,000.00	Columbia Heights	5411	2	3	1	1	\$8.00	8.00	nr	nr		UICG-08-0014-a-FY08	MCCD
										1,242.82				\$819.78		
Median	\$22,000.00	\$25,000.00							106	\$11.72 Average wage		65	\$12.61 Average wage			
Average amount	\$25,317.43	\$76,857.97	\$113,715.30							\$10.00 Median wage				\$9.50 Median wage		
Total amount	\$936,745.07	\$2,843,745.07	\$4,207,466.07													
Total number of businesses = 37																

30-May-08

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

Business Status: 1=Start; 2=Expand; 3=Retain

nr = no result

Beginning Cash Balance

Balance Sheet	FY95-FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	Total
Assets											
Cash	\$23,527,253.65	\$3,059,121.36	\$3,323,293.72	\$3,464,115.44	\$3,178,792.12	\$2,834,469.80	\$2,325,115.17	\$1,711,696.03	\$1,695,998.60	\$2,476,731.47	
Loans Receivable	\$8,778,874.43	\$3,943,509.46	\$3,833,768.70	\$3,480,855.04	\$3,794,773.78	\$3,686,887.33	\$3,888,397.06	\$4,307,368.30	\$4,146,149.89	\$4,196,361.26	
Total Assets	\$32,306,128.08	\$7,002,630.82	\$7,157,062.42	\$6,944,970.48	\$6,973,565.90	\$6,521,357.13	\$6,213,512.23	\$6,019,064.33	\$5,842,148.49	\$6,673,092.73	
Fund Balance											
Reserved for Encumbrances	\$22,013,950.19	\$2,167,771.43	\$1,962,277.49	\$1,829,346.49	\$2,384,986.13	\$1,580,292.60	\$1,655,609.63	\$1,485,582.05	\$1,136,682.05	\$2,086,686.98	
Unreserved Retained Earnings	\$10,292,177.89	\$4,834,859.39	\$5,194,784.93	\$5,115,623.99	\$4,588,579.77	\$4,941,064.53	\$4,557,821.60	\$4,533,482.28	\$4,705,466.44	\$4,586,405.75	
Total Liabilities & Fund Balance	\$32,306,128.08	\$7,002,630.82	\$7,157,062.42	\$6,944,970.48	\$6,973,565.90	\$6,521,357.13	\$6,213,431.23	\$6,019,064.33	\$5,842,148.49	\$6,673,092.73	
Statement of Cash Flows											
Operating Activities:											
Loan Repayments:											
Interest	\$3,542.97	-\$188.48	\$2,892.02	\$935.04	\$77.31	\$561.52	\$25.47	\$1,095.82	\$11,238.94		\$20,180.61
Principle	\$908,814.56	\$532,548.49	\$858,004.92	\$673,452.57	\$491,048.19	\$635,909.03	\$535,654.91	\$546,034.68	\$613,338.22	\$835,224.80	\$6,630,030.37
Investment Interest	\$1,016,905.30	\$192,574.30	\$188,499.32	\$127,030.03	\$83,036.26	\$35,090.66	\$54,867.13	\$89,884.94	\$92,676.72	\$117,390.64	\$1,997,955.30
Operating Cash Inflows	\$1,929,262.83	\$724,934.31	\$1,049,396.26	\$801,417.64	\$574,161.76	\$671,561.21	\$590,547.51	\$637,015.44	\$717,253.88	\$952,615.44	\$8,648,166.28
Loans Issued	-\$4,156,946.01	-\$1,227,926.50	-\$766,750.00	-\$621,131.00	-\$844,360.36	-\$1,004,693.53	-\$1,094,601.97	-\$1,249,622.08	-\$728,900.00	-\$924,995.07	-\$12,619,926.52
Grants	-\$169,523.65	-\$40,679.62	-\$18,473.90	-\$39,464.92	-\$15,124.72	-\$11,190.00	-\$5,300.17	-\$812.50	-\$4,051.31	-\$1,887.50	-\$306,508.29
Operating Cash Outflows	-\$4,326,469.66	-\$1,268,606.12	-\$785,223.90	-\$660,595.92	-\$859,485.08	-\$1,015,883.53	-\$1,099,902.14	-\$1,250,434.58	-\$732,951.31	-\$926,882.57	-\$12,926,434.81
Net Operating Cash Flows	-\$2,397,206.83	-\$543,671.81	\$264,172.36	\$140,821.72	-\$285,323.32	-\$344,322.32	-\$509,354.63	-\$613,419.14	-\$15,697.43	\$25,732.87	-\$4,278,268.53
Noncapital Financing:											
State Appropriations	\$6,000,000.00									\$755,000.00	\$6,755,000.00
Beginning Cash Balance	\$0.00	\$3,602,793.17	\$3,059,121.36	\$3,323,293.72	\$3,464,115.44	\$3,178,792.12	\$2,834,469.80	\$2,325,115.17	\$1,711,696.03	\$1,695,998.60	\$2,476,731.47
Net change in Cash	\$3,602,793.17	-\$543,671.81	\$264,172.36	\$140,821.72	-\$285,323.32	-\$344,322.32	-\$509,354.63	-\$613,419.14	-\$15,697.43	\$780,732.87	
Ending Cash Balance	\$3,602,793.17	\$3,059,121.36	\$3,323,293.72	\$3,464,115.44	\$3,178,792.12	\$2,834,469.80	\$2,325,115.17	\$1,711,696.03	\$1,695,998.60	\$2,476,731.47	

Urban Initiative Funds Loan Account

Fiscal Year	Loan Disbursements	Repayments		Write-offs	Loan Recbl Balance
		Interest	Principal		
1995	\$135,000.00				\$135,000.00
1996	\$760,551.50	\$2,038.02	\$2,422.42		\$893,129.08
1997	\$1,316,762.15		\$251,130.63		\$1,958,760.60
1998	\$852,600.00		\$267,507.30		\$2,543,853.30
1999	\$1,092,032.36	\$1,504.95	\$387,754.21		\$3,248,131.45
2000	\$1,227,926.50	-\$188.48	\$532,548.49		\$3,943,509.46
2001	\$766,750.00	\$2,892.02	\$858,004.92	\$18,485.84	\$3,833,768.70
2002	\$621,131.00	\$935.04	\$673,452.57	\$300,592.09	\$3,480,855.04
2003	\$844,360.36	\$77.31	\$491,048.19	\$39,393.43	\$3,794,773.78
2004	\$1,004,693.53	\$561.52	\$635,909.03	\$476,670.95	\$3,686,887.33
2005	\$1,094,601.97	\$25.47	\$535,654.91	\$357,437.33	\$3,888,397.06
2006	\$1,249,622.08	\$1,095.82	\$546,034.68	\$284,616.16	\$4,307,368.30
2007	\$725,900.00	\$11,238.94	\$613,338.22	\$276,780.19	\$4,146,149.89
2008	\$924,995.07		\$835,224.80	\$39,558.30	\$419,636,126.00
Totals	\$12,616,926.52	\$20,180.61	\$6,630,030.37	\$1,793,534.29	
Average	\$901,209.04		\$510,002.34	\$224,191.79	