



As we enter into our 40th year at AEDC, we can look back at our organization with great pride in our accomplishments. What initially started as an organization to support the City of Arcata's economic health has grown to become an economic development leader in the six-county region we serve. Since our inception in 1978, AEDC has been certified as a CDFI (Certified Development Financial Institution) a CDC (Community Development Corporation) a BIA guaranty lender (Bureau of Indian Affairs) and Community Advantage SBA lender, all under the umbrella of a non-profit 501c3 corporation.

So what do all these designations really mean? It means that we are able to provide for the smallest microloan up to a multi-million dollar project by utilizing our loan programs and combining outside

We continue to build participation agreements when needed. These relationships allow us to take on exciting projects that would be too much for any one of us, like the Inn at 2nd at C in Old Town Eureka. We are able to source loan funds from USDA, SBA, financial institutions and local partners such as the Humboldt Area Foundation, Headwaters Fund and Redwood Region Economic Development Commission. We plan to continue our exploration of impact investing opportunities and program related investments from various foundations along with outside partnerships with other CDFI's this coming year. I think our 40th year might be our best yet. Stay tuned and see.....

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.



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Annual Report

2017



Final IDA Grant Completed

AEDC and Jefferson Economic Development Institute (JEDI) completed two cohort groups in the Prosperity Independent Development Account (IDA) program in Siskiyou County, closing out AEDC's final Assets for Independence (AFI) Grant from the Department of Health and Human Services.

The partnership helped 21 participants develop their businesses by learning financial literacy skills, taking business classes and writing a business plan. While they worked on those skills, participants saved money and were matched \$3 for every \$1 saved. In these final cohorts, participants saved over \$25,000 with over \$75,000 earned in matching funds, allowing them to purchase over \$100,000 in business assets.

Their businesses were diverse and included window cleaners to wellness coordinators. Participants were producers, teachers, caregivers, craftsmen . . . and they were all entrepreneurs.

This was AEDC's second AFI grant, written to serve our region outside of Humboldt. Five programs in Del Norte, Mendocino and Siskiyou Counties offered either 3:1 match or 2:1 match and included a total of 57 participants. Those business owners saved about \$76,500 and received nearly \$140,000 in matching funds, allowing them to purchase business assets totaling nearly \$216,500.

Engaging and Retaining Young Professionals

AEDC has been working on projects that help engage the next generation of employees and entrepreneurs in an effort to make a community that is more appealing to a younger demographic. We took on several projects this year that addressed issues that matter to young professionals, from the workforce to housing. Here are some projects:



In an effort to better prepare our youth for the workplace, and for them to recognize opportunities in their own community, AEDC hosted our seventh Lemonade Day. Over 50 stands opened on the first Saturday in June all over Humboldt County. Total revenue for the group was about \$10,000, with profits at about \$7,500 in all.



Conference to Engage and Retain Young Professionals

In partnership with the California Association for Local Economic Development (CALED), AEDC hosted a half day conference that brought together young professionals and industry leaders to talk about the employment needs of both and the gaps in expectations that cause workforce friction.



Adulting 101

AEDC hosted a six week program called "Adulting 101" to provide young adults with the skills they need to be more successful. Classes included topics like budgeting, credit management, retirement, how to find housing, how to buy car insurance and maintain a vehicle and career advice for the job seeker. The class was designed to be fun and educational, and each class had an average of nine participants between the ages of 20 and 45.

Treasurer's Report by Michael Proulx

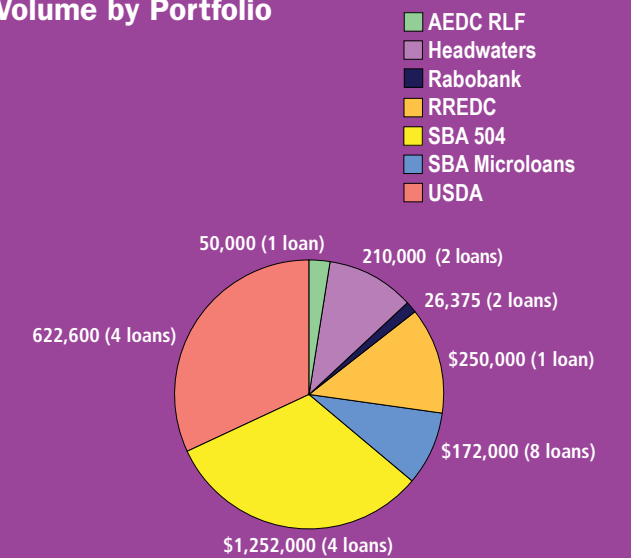


For the past 10 years, AEDC's net assets have increased from \$228,750 in FY07 to \$2.15M in FY17. This last year has been slower for business lending, but it was no exception for increasing assets. With a loan portfolio that continues to grow stronger as businesses are more secure, our assets increased over \$20,000 for FY17. Our bad debt expense ended the year with a credit balance again. This means that our borrower's risk ratings are improving and that new loans booked are healthy. This is an overall positive sign.

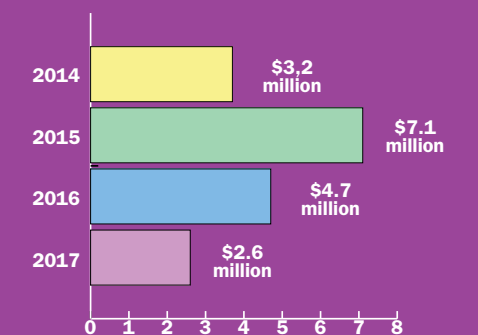
In FY17 we provided funding to 13 businesses, compared to 12 in FY16. We helped four businesses acquire their own property and secure their assets through the SBA 504 loan program. AEDC also doubled the number of microloans, helping several businesses get their start with small loans of under \$50,000. Two loans allowed new business owners to purchase existing businesses from previous owners; another loan allowed a business to expand to a second location. One \$10,000 loan meant the difference between survival and closing the doors for another business. It's not always about how much money we get out, but how impactful those dollars are; AEDC continues to finance opportunity for businesses of all sizes.

Once again we had a finding free audit and AEDC remains a low risk auditee. Our consistently strong fiscal operations allow us the flexibility to work with new funders and to take on projects that serve a wider variety of economic development needs.

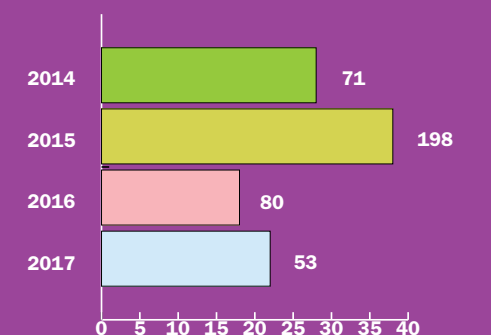
Loan Volume by Portfolio



Dollars Loaned



Jobs Created/Retained



FY16 FINANCIAL POSITION	FY16	FY16	FY15
Net Assets	\$2,176,200	\$2,152,603	\$2,098,641
Total Assets	\$6,583,038	\$6,264,070	\$6,148,381
OPERATIONAL ACTIVITIES	FY17	FY16	FY15
Total Revenue	\$ 715,508	\$755,094	\$ 668,687
Total Expenses	\$ 691,911	\$701,132	\$ 598,495