



Urban Initiative Loan Program

Report to the Legislature
as required by 116M.17, Sub. 4

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Minnesota Department of Employment and Economic Development

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URBAN INITIATIVE BOARD

Report to the Minnesota Legislature, 2009

Minnesota Statutes 116M.17, subd. 4, requires the Department of Employment and Economic Development (DEED) to submit an annual report to the legislature "...of an accounting of loans made under section [116M.18](#), including information on loans to minority business enterprises, the impact on low-income areas."

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 participating organizations may lend between \$1,000 and \$150,000 of its Urban Initiative funds to qualifying businesses.

Businesses eligible for loans include technologically innovative industries, value-added manufacturing, and information industries. It will not, however, make loans to liquor stores, taverns or saloons, businesses primarily selling tobacco products, or adult entertainment businesses. Micro enterprises, which generally employ fewer than five people and which may include retail businesses are eligible for loans up to \$25,000.

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 2009

During fiscal year 2009, DEED received 35 loan applications from 35 businesses. DEED reviewed and approved 33 of the applications which totaled \$780,195 in loan requests. A detailed listing of the approved projects is included in **Appendix 2**. The state contributed an average of \$23,642 to each of the proposed business loans, ranging from a minimum of \$3,500 to the maximum of \$125,000. The median amount of state funds invested was \$19,750. This investment helped to leverage about \$3.1 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 125 jobs over the next year and would pay an average

of \$17.92 per hour, excluding benefits. The average state investment per job created would be \$6,242.

Table 1. Urban Initiative Project by SIC, FY 2009

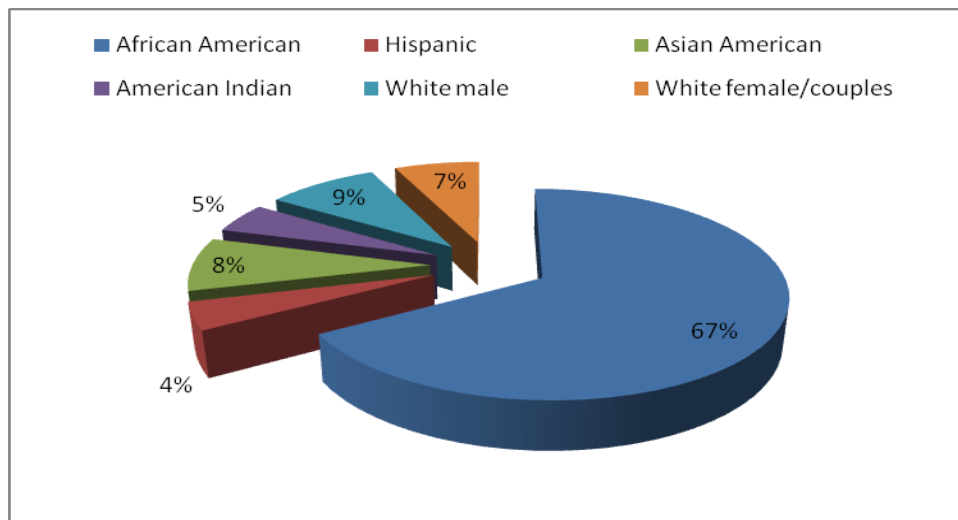
Business Sector	No. of Projects	State Investment	Average Investment	Project Cost	Projected Jobs	Projected Wages
Construction	2	\$25,000	\$12,500	\$155,000	4	\$16.00
Wholesale	3	\$193,125	\$64,375	\$657,000	15	\$10.43
Manufacturing	1	\$25,000	\$25,000	\$125,000	8	\$15.00
Transportation	2	\$20,000	\$10,000	\$22,590	1	\$17.30
Retail	17	\$274,500	\$16,147	\$926,950	9.5	\$9.13
Service	8	\$242,570	\$30,321	\$1,942,646	87.5	\$20.52
Total	33	\$780,195	\$23,642	\$3,829,186	125	\$17.92

As can be seen the largest number of loans were made to the retail sector as well as the largest total amount of state funds. Only one loan was made to a manufacturing business in 2009, a woodworking shop. Most of the retail businesses receiving Urban Initiative loans were small grocery stores or restaurants. Eight businesses in the service sector projected the largest job creation and the highest wages. A temporary employment agency and a day care facility projected most of the job creation in service sector – a total of 55.

The largest state investment was \$125,000 to African Food Processing, a food wholesale business. The smallest investment was \$3,500 each to a small café, Atrium Café, located in Bloomington. 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 particularly active participants in the Program, receiving only 11 and 7 loans respectively since the program’s inception.

As shown in **Figure 1** below, minority business owners received 84 percent of program loans in 2009.

Figure 1. FY 2009 Business Ownership



As shown above, 67 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 - 49 percent - were men while 33 percent of the businesses were owned by women. The remaining 18 percent of businesses were owned by two or more people. In many cases the owners are married couples. The percentage of women owned businesses receiving loans was one of the highest in the Program's history.

Program Since 1995

Between January 1995 and June 30, 2009, the Urban Initiative Program has made 656 loans to 541 businesses. It has committed a total of almost \$13.5 million in state funds and helped generate an estimated \$53.9 million in additional business investment. The average state investment per loan is \$20,567, while the median investment is \$11,250. The average total loan, including the private funds used to match the state's investment, was \$40,023, 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 10 years. The cash fund balance of the Urban Initiative Fund as of June 30, 2009 was \$2,584,795, of which \$2,167,397 had been committed to the participating organizations. The remaining \$417,398 will be allocated to the lending organizations as they draw down their lending capital. Over the past two years the program has received more money in repayments than it disbursed. The last time that occurred was in the 2001 and 2002 fiscal years.

Table 2 below summarizes the Fund's activities since 1995. On average, the state has disbursed \$885,950 annually, while it has received \$489,072 in principle loan payments.

Table 2. Urban Initiative Fund Activity

Fiscal Year	Loan Disbursements	Repayments		Write-offs	Loan Receivable 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	\$728,900.00	\$11,238.94	\$613,338.22	\$276,780.19	\$4,146,149.89
2008	\$924,995.07		\$835,224.80	\$39,558.30	\$4,196,361.21
2009	\$669,320.00		\$706,051.52	\$329,258.31	\$3,830,371.43
Totals	\$13,289,246.52	\$20,180.61	\$7,336,081.89	\$2,122,792.60	

Since its inception, the program has received a total of \$7.336 million in principal repayments, as well as \$2.069 million in interest earned through investment of program funds. In addition, the program has received \$20,180 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.

Businesses Assisted. Table 3 below shows the distribution of the state’s investment in these businesses using Standard Industrial Classifications (SIC) codes. 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 also received the largest total amount of state investment. It is noteworthy that retail businesses received 23 percent of the state funds, but represented 40 percent of the total number of the projects. This is largely because statute limits the amount of state funds that may be invested in retail businesses to \$25,000. The “FIRE” category refers to businesses that provide financial, insurance and real estate services. The “Trans/Com” category refers to businesses engaged in transportation, communications, and utility services.

Table 3. State Funds by Business Sector

	Total \$ Loaned	# of loans	Median Loaned	Average Loaned	% of Total \$ Loaned
Agriculture	\$204,125	7	\$35,000	\$29,161	1.5%
Construction	\$1,137,784	39	\$17,500	\$29,174	8.4%
FIRE	\$229,850	11	\$25,000	\$20,895	1.7%
Mfg.	\$2,744,345	81	\$25,000	\$33,881	20.3%
Retail	\$3,129,840	261	\$10,000	\$11,992	23.2%
Services	\$3,702,502	170	\$10,000	\$21,779	27.4%
Trans/Com	\$1,309,652	54	\$22,846	\$24,253	9.7%
Wholesale	\$1,033,951	33	\$25,000	\$31,332	7.7%
<i>Total</i>	\$13,492,048	656		\$20,567.15	100.0%

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 and expanding businesses have received an almost equal number of loans, while expanding businesses have received double the amount of state funds going to startups.

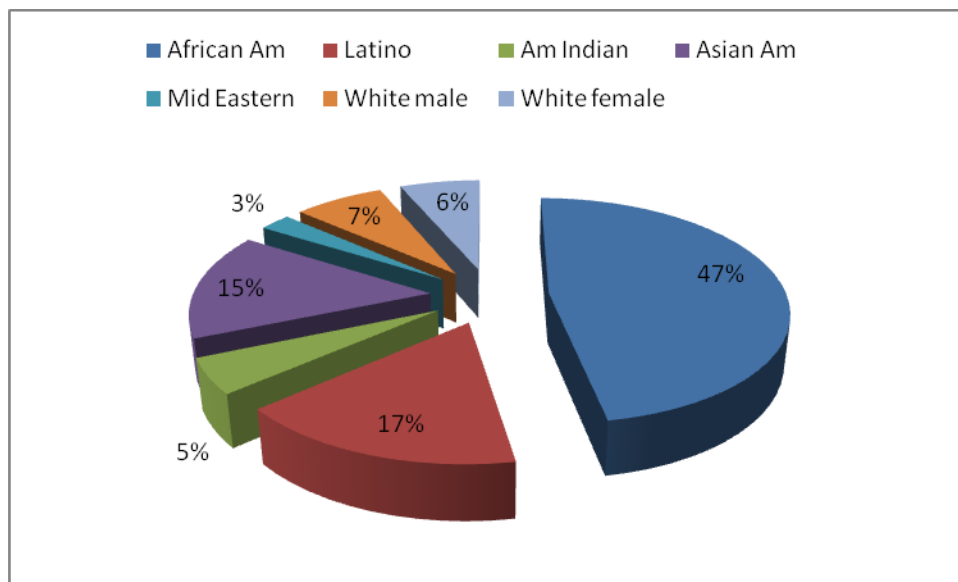
Table 4. Business Startups/Expansions

	Loans	Retained	Expansion	Startup
# of Loans		103	276	277
Total State Investment		\$1,899,582.48	\$7,880,446.62	\$3,712,018.57
\$ Repaid		\$479,365.98	\$2,983,873.11	\$1,300,792.50
\$ Written Off		\$322,619.23	\$1,521,354.55	\$713,563.32
Average \$ Written Off		\$13,442.47	\$19,504.55	\$8,597.15
No. of Projected Jobs		49	480	103
Average Wages of Projected Jobs		\$10.56	\$13.44	\$9.58
No. of Actual Jobs		33	348	61
Average Wages of Actual Jobs		\$15.36	\$13.97	\$11.48

In all three cases, the average wages paid for the jobs actually created were substantially higher than they were projected, although the number of jobs actually created by “active” businesses (i. e., those operating and repaying Urban Initiative loans at the end of the 2009 fiscal year) is less.

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, 2009, 86 percent of all Urban Initiative funds had been lent to minority entrepreneurs. African-Americans have received a total of 337 loans, followed by Latino (105) and Asian-American (72) business owners. White males have received 45 loans. **Figure 2** below provides a percentage breakdown of all the loans made through the Program.

Figure 2. Percent of Loan Dollars by Racial Group



In terms of gender, 369 loans (or 63%) have been made to male-owned businesses, while female-owned businesses have received 195 loans (23%). Businesses owned by two or more individuals, generally a married couple or family, have received 91 loans.

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 2009 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 \$13.73 per hour, and they reported creating 442 jobs. When the businesses applied for loans, they projected creating 632 jobs and paying an average of \$12.59 per hour.

Table 5. Jobs Created by Industry Sector

Business Sectors	# Active Projects	Projected Jobs	Projected Wages	Actual Jobs	Actual Wages	Total State Disbursed	\$ Job Created
Agriculture	0	0	\$0.00	0	\$0.00	\$0	\$0
Construction	8	28	\$13.51	21	\$16.10	\$505,000	\$24,048
FIRE	3	8	\$9.91	0	\$0.00	\$87,600	\$0
Mfg.	13	98	\$11.11	43	\$13.61	\$523,225	\$12,168
Retail	87	133	\$9.29	68	\$10.29	\$1,417,984	\$20,853
Services	34	293	\$14.89	286	\$14.75	\$1,110,045	\$3,881
Trans/Com	25	47.5	\$208.00	22	\$9.18	\$640,000	\$29,091
Wholesale	12	24.5	\$11.15	2	\$12.67	\$454,625	\$227,313
<i>Total</i>	182	632		442		\$4,738,479	\$10,721

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 105 businesses reported annual gross sales of \$262 million for calendar 2008. On the other hand, 78 businesses reported a total payroll of \$109 million for the most recent year. Finally, 222 businesses reported employing a total of 1,666 people, which would include full and part-time employees as of June 30, 2009.

Repayment. Since the inception of the program in 1993, a total of 260 loans have been repaid for a total of \$4.7 million, or 35 percent of the total state funds lent. During the same 14-year period, a total of 185 loans have been written off for a total of \$2.56 million. The average amount lost for each loan written off was \$13,107. **Table 6** below provides a simple breakdown of the loans repaid and written off June 30, 2009. The Program has lost just under 19 percent of the total state funds invested. On average, approximately 26 percent of the total original loans that have been written off have been recovered by the participating organizations.

Table 6. Loans Paid/Written-off

	# Loans Paid	Total \$ Paid	# of Loans Written Off	Total \$ Written Off	% of Loans Written Off	% Funds Recovered
Agriculture	3	\$100,000	3	\$56,766	27.8%	17.9%
Construction	13	\$373,676	16	\$113,840	10.0%	40.3%
FIRE	7	\$129,750	1	\$11,539	5.0%	7.7%
Mfg.	39	\$1,377,816	28	\$641,895	23.4%	22.7%
Retail	104	\$995,975	53	\$379,422	12.1%	29.0%
Services	67	\$1,161,444	65	\$1,106,390	29.9%	19.8%
Trans/Com	16	\$447,192	12	\$134,549	10.3%	31.9%
Wholesale	11	\$178,179	7	\$113,138	10.9%	42.0%
<i>Total</i>	260	\$4,764,032	185	\$2,557,537		

Generally, businesses receiving Urban Initiative loans have failed for the same reasons that businesses throughout the economy fail – 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 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.

Summary. DEED provides administrative support to the Urban Initiative Program. If you have any comments regarding this report or would like additional information, contact Bart Bevins at 651/259-7424 or bart.bevins@state.mn.us.

Appendix 1

Urban Initiative Program Certified Partners

African Development Center

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American Indian Economic Development Fund

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Central Minnesota Development Co.

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Andover MN 55304
763/784-3337

Metropolitan Econ. Development Assn.

George Jacobson
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612/332-6332

Milestone Growth Fund

Judy Romlin
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Minneapolis MN 55402
612/338-0090

Metropolitan Consortium of Community Developers

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Neighborhood Development Center

Brian Singer
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651/291-2480

Riverview Economic Development Assn.

Jenny Ticcioni
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St. Paul MN 55107
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SPARC

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651/488-1039

Women Venture

Diane Paterson
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Appendix 2. Urban Initiative Loans in FY 2009

Project Name	State Amount	Total Loan	Total Project	Location	SIC Code	Race *	Gender **	Start *** /Expand	No./Jobs Projected	Wages Projected	Total Wages	Project Number	Organization
African Food Processing	\$125,000.00	\$250,000.00	\$392,000.00	Crystal	5149	1	1	2	13	\$10.19	132.47	UICG-09-0002-a-FY09	MGF
Alamagan Corporation	\$25,000.00	\$25,000.00	\$160,000.00	Minneapolis	5411	1	1	2	1	\$10.00	10	UICG-09-0003-a-FY09	NDC
Angel Falls, LLC	\$38,000.00	\$76,000.00	\$76,000.00	St. Paul	7349	1	1	2	13	\$12.00	156	UICG-09-0001-a-FY09	MEDA
A-Qudus Halal Meat & Groceries	\$15,000.00	\$15,000.00	\$30,000.00	Minneapolis	5411	1	1					UICG-09-0017-a-FY09	ADC
Covenant Skateboards	\$10,000.00	\$16,750.00	\$17,750.00	Minneapolis	5941	5	1	1	0	\$0.00	0	UICG-08-0015-a-FY09	NDC
Emanuel Mexican Market	\$25,000.00	\$25,000.00	\$35,000.00	Blaine	5411	2	1	1	0	\$0.00	0	UICG-08-0030-a-FY09	MCCD
Gopher Grocery	\$20,000.00	\$20,000.00	\$35,000.00	St. Paul	5963	5	1	3	0	\$0.00	0	UICG-09-0019-a-FY09	WV
International Wholesale, Inc.	\$25,000.00	\$100,000.00	\$150,000.00	Minneapolis	5141	1	1	2	2	\$12.00	24	UICG-09-0009-a-FY09	MCCD
Lewis Transportation Services, LLC	\$10,000.00	\$10,000.00	\$11,000.00	Brooklyn Park	4111	1	1	1	0	\$0.00	0	UICG-09-0014-a-FY09	NDC
Michell Construction	\$10,000.00	\$100,000.00	\$100,000.00	Minneapolis	1541	1	1	2	2	\$17.00	34	UICG-08-0029-a-FY09	MCCD
O&M Trucking Company, LLC	\$10,000.00	\$10,000.00	\$11,590.00	St. Paul	4212	1	1	3	1	\$17.30	17.3	UICG-08-0020-a-FY09	NDC
Pillsbury Market, Inc.	\$25,000.00	\$25,000.00	\$50,000.00	Minneapolis	5411	1	1	2	1	\$9.00	9	UICG-08-0021-a-FY09	ADC
S. Vincent Jewelers, Inc.	\$25,000.00	\$25,000.00	\$25,000.00	Minneapolis	5944	5	1	3	0	\$0.00	0	UICG-09-0015-a-FY09	MCCD
Sandstrom Enterprises	\$15,000.00	\$15,000.00	\$55,000.00	St. Paul	1751	5	1	2	2	\$15.00	30	UICG-09-0004-a-FY09	SPARC
Ultimate Ice Cream & Smoothie	\$15,000.00	\$15,000.00	\$45,000.00	Minneapolis	5812	1	1	1	1	\$11.50	11.5	UICG-09-0010-a-FY09	ADC
Waaberi Restaurant, Inc.	\$15,000.00	\$30,000.00	\$207,000.00	Minneapolis	5812	1	1	1	2.5	\$8.65	21.625	UICG-08-0025-a-FY09	ADC
A&A Millwork, Inc.	\$25,000.00	\$25,000.00	\$125,000.00	Minneapolis	2431	1	2	2	8	\$15.00	120	UICG-08-0019-a-FY09	MCCD
Atrium Café	\$3,500.00	\$3,500.00	\$3,500.00	Bloomington	5812	5	2	3	0	\$0.00	0	UICG-08-0018-a-FY09	NDC
A-Z Merchandise	\$10,000.00	\$20,000.00	\$40,000.00	Minneapolis	5621	1	2	3	0	\$0.00	0	UICG-09-0012-a-FY09	ADC
Cheveux Supplies & Salon	\$23,700.00	\$23,700.00	\$32,026.00	Bloomington	7231	1	2	2	1	\$8.00	8	UICG-08-0027-a-FY09	MCCD
EMPO Corporation	\$60,000.00	\$125,000.00	\$125,000.00	Minneapolis	7363	1	2	2	4	\$33.00	132	UICG-09-0013-a-FY09	MGF
Idil International Shop	\$5,000.00	\$5,000.00	\$15,000.00	Minneapolis	5621	1	2	1	0	\$0.00	0	UICG-08-0024-a-FY09	ADC
Jakeeno's, Inc.	\$20,000.00	\$20,000.00	\$20,000.00	Minneapolis	5812	5	2	3	0	\$0.00	0	UICG-09-0016-a-FY09	NDC
Koy, LLC	\$5,000.00	\$5,000.00	\$6,000.00	Brooklyn Park	7231	1	2	1	1	\$10.00	10	UICG-08-0023-a-FY09	NDC
MN Best Enterprises	\$50,000.00	\$100,000.00	\$100,000.00	Fridley	8741	4	2	2	12	\$40.00	480	UICG-09-0008-a-FY09	MCCD
Nuestro Mundo Bilingual Daycare	\$8,620.00	\$33,620.00	\$38,620.00	Minneapolis	8351	2	2	1	1.5	\$9.25	13.875	UICG-09-0005-a-FY09	MCCD
Urban Garden	\$10,000.00	\$57,200.00	\$72,200.00	Minneapolis	5261	5	2	1	1	\$9.00	9	UICG-08-0026-a-FY09	WV
BCS African Wholesale Supply, LLC	\$43,125.00	\$86,225.00	\$115,000.00	Brooklyn Park	5141	1	3	3	0	\$0.00	0	UICG-09-0018-a-FY09	MEDA
Eagle Employment	\$37,500.00	\$75,000.00	\$165,000.00	Minneapolis	7363	3	3	2	35	\$21.75	761.25	UICG-08-0028-a-FY09	MEDA
Local D'Lish, LLC	\$16,000.00	\$35,500.00	\$61,500.00	Minneapolis	5411	4	3	1	1	\$9.00	9	UICG-08-0016-a-FY09	MCCD
New Horizon Real Estate, LLC	\$19,750.00	\$50,000.00	\$1,400,000.00	St. Paul	8351	5	3	1	20	\$11.70	234	UICG-08-0017-a-FY09	SPARC
Nicollet Family Dollar & Halal Meat, Inc.	\$10,000.00	\$10,000.00	\$35,000.00	Minneapolis	5411	1	3	2	1	\$8.00	8	UICG-08-0022-a-FY09	ADC
West Bank Grocery	\$25,000.00	\$25,000.00	\$75,000.00	Minneapolis	5411	1	3	2	1	\$8.65	8.65	UICG-09-0011-a-FY09	ADC
Median	\$19,750.00	\$25,000.00	\$50,000.00						125	\$17.92	2239.67		
Average	\$23,642.27	\$44,166.52	\$116,035.94							\$9.00	Median wages		
Total	\$780,195.00	\$1,457,495.00	\$3,829,186.00										

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Project Name	State Amount	Total Loan	Total Project	Location	SIC Code	Race *	Gender **	Start/Exp	No./Jobs Projected	Wages Projected	Project Number	Organization
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2-Jul-09

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 Revolving Account

Balance Sheet	FY95-FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	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	\$2,584,795.02	
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	\$3,830,371.43	
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	\$6,415,166.45	
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	\$2,167,366.98	
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	\$4,247,799.47	
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	\$6,415,166.45	
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	\$706,051.52	\$7,336,081.89
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	\$71,332.03	\$2,069,287.33
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	\$777,383.55	\$9,425,549.83
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	-\$669,320.00	-\$13,289,246.52
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	\$0.00	-\$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	-\$669,320.00	-\$13,595,754.81
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	\$108,063.55	-\$4,170,204.98
Noncapital Financing:												
State Appropriations	\$6,000,000.00									\$755,000.00	\$0.00	\$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	\$108,063.55	
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	\$2,584,795.02	\$2,584,795.02

Urban Initiative Funds Loan Account

Fiscal Year	Loan Disbursements	Repayments		Write-offs	Loan Receivable 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	\$728,900.00	\$11,238.94	\$613,338.22	\$276,780.19	\$4,146,149.89
2008	\$924,995.07		\$835,224.80	\$39,558.30	\$4,196,361.21
2009	\$669,320.00		\$706,051.52	\$329,258.31	\$3,830,371.43
Totals	\$13,289,246.52	\$20,180.61	\$7,336,081.89	\$2,122,792.60	

Urban Initiative Funds Loan Account

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	\$728,900.00	\$11,238.94	\$613,338.22	\$276,780.19
2008	\$924,995.07		\$835,224.80	\$39,558.30
2009	\$669,320.00		\$706,051.52	\$329,258.31
Totals	\$13,289,246.52	\$20,180.61	\$7,336,081.89	\$2,122,792.60
Average	\$885,949.77		\$524,005.85	\$235,865.84