



# INNOVATION

2018 ANNUAL REPORT



Building Our Economy  
One Business at a Time

HCDC, INC.  
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CINCINNATI, OH 45212 [hcdc.com](http://hcdc.com)



Building Our Economy  
One Business at a Time

## A MESSAGE FROM THE PRESIDENT



PEG MOERTL

“ To be creative, you have to contribute something different from what you’ve done before. Your results need not be original to the world; few results truly meet that criterion. In fact, more results are built on the work of others. ”

LYNNE C. LEVESQUE  
Breakthrough Creativity

## Dear Friends of HCDC,

This has been a year of enormous creativity for the team at HCDC, producing real innovation and achievement and building on the work of the past 35 years. With the retirement of Founder David Main in the Spring of 2018, the staff and board leadership was called to contribute in new ways to maintain the momentum of lending, business incubation, and Hamilton County economic growth over the course of the year. And, indeed, they did.

- HCDC has been the largest SBA 504 lender in Ohio for three years running, with 41 loans approved for a record \$33,146,000. Projects funded include Madtree Brewing and 2018 award winner, Kelsey Chevrolet. HCDC funded nearly half of the 504 loans in Kentucky in 2018. This coming year is shaping up to be another big year, with notable approved projects under construction, such as Jay Healthcare and Graphic Village in Blue Ash.

- The HCDC Business Center has never been busier and closed the year at 92+% occupied by more than 70 companies innovating in life and physical sciences, technology, and engineering, with more than 170 patents among them. For the first time, there is a waiting list to join the incubation program as firms like General Nano graduate to their own facilities throughout SW Ohio.
- The Economic Development Office built on the support it provides to Hamilton County and its jurisdictions. It launched the Office of Innovation + Creativity to assist local second-stage companies in their growth trajectories, helping them to decide through market research and technical assistance what their next steps should be, adding to both local jobs and the economy.

I am grateful for the opportunity to build on David’s work and the efforts of our terrific team at HCDC. I am proud of all we have accomplished this year; and I am thankful for the leadership and support of the HCDC Board of Directors as well as all the HCDC volunteers including: loan committees in SW Ohio, Northern Kentucky, and the Eastern Region based in Canton; the economic development and business center advisory committee members; the Morning Mentors; and the many program speakers who give generously of their time and creativity to impact our clients and communities.

Warmly,

PEG MOERTL  
President & CEO



A



B

## A Heartfelt Thanks

Recognizing the career of David K. Main



C



D



E



F



G



H

> **A STEVE CHABOT**, presents David Main a flag. **B TODD PORTUNE** presents a letter of recognition from Hamilton County Commissioners. **C A** large crowd gathered at Clovernook Country Club to honor David. **D DAVID K. MAIN** and his daughter-in-law Ellen Main share a laugh. **E** Event attendees network before dinner. **F HCDC** Board Member **SHEILA MIXON** talks with Loan Officer **ANGELA HOWARD**. **G HCDC** Business Center Director **PATRICK LONGO** talks about his 20+ years of working with David. **H HCDC** former Board Chair **DAVID LINGLER** and current Board Chair **TIM BLANKENHORN** present David with his HCDC caricature.



## A LETTER FROM THE BOARD CHAIR



TIMOTHY BLANKENHORN

## Dear HCDC Supporters,

Our HCDC team is on fire and the results are clear. First, thank you all for your warm farewell to David Main. His 35 years of dedication and passion for HCDC left the organization on a solid financial footing and with the reputation of being an important resource for our business community. In fact, in October, David was only the twenty-second person inducted into the National Association of Development Companies' (NADCO) Hall of Fame for his contributions to the industry. Then, Peg Moertl, a seasoned and well-regarded leader in our community, joined our experienced team to help us tell our story better, connect to more of our community stakeholders, and drive innovation within HCDC like we do with our client businesses and communities. As you can see from the results throughout this report, we have not lost a step. This is a tribute to the HCDC team and the organization's Board of Directors. Each member's passion, persistence, and professionalism came to bear during this first-ever leadership transition, and I couldn't be more proud of the outcome.

“ People are creative.  
Organizations innovate.”

YORAM SOLOMON Building A Culture of Innovation (HCDC, 2018)

As a result, our community and clients continue to win. With the addition of the Office of Innovation + Creativity to the rest of the HCDC menu of products and services, we have stimulated job growth and grown the tax base as the region's "comprehensive driving force behind business development." Now we are looking ahead to what's next:

- Immediately upon her arrival, Peg got to work with the lending staff, spelling out new calling efforts, bank presentations, and marketing to make sure Ohio, Kentucky, and SE Indiana lenders and small businesses know the value the SBA 504 and Ohio Regional 166 loan programs can provide when interest rates are rising.
- In August, the Board of Directors voted to commit to the Mentor Avenue location and HCDC Business Center staff is planning necessary and desirable capital improvements from window and cooling tower replacements to roof repairs to the addition of more collision spaces and smart screens to spur continued innovation and business development, both for our tenant companies and our own organization. We hope to become more energy efficient in the process.

- By late September, we knew the Hamilton County budget shortfall would impact HCDC, and proposed a solution to the County that allows us to continue to provide critical economic development services. The Economic Development Office launched an effort to drive investment to new Opportunity Zone sites within the County and will present an updated Hamilton County Comprehensive Economic Development Strategy in early 2019.
- And now, HCDC has begun its own strategic planning process, mapping a path to focus its efforts and secure its future.

We thank you for your ongoing support and invite you to join us in these efforts. There is so much more we can do to build our economy... one business at a time.

Sincerely,

TIMOTHY BLANKENHORN  
HCDC Board Chair

## 2018 Highlights



Peg Moertl joins HCDC as new President/CEO, bringing fresh ideas to the organization.

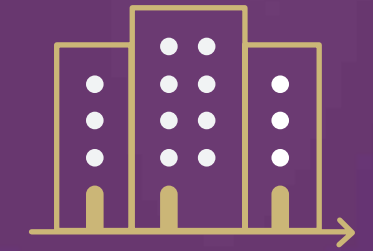


Hamilton County Economic Development Office launches the Office of Innovation + Creativity

to assist second-stage businesses in a continued fast-growth trajectory.



HCDC Lending had a record lending year, both in number of loans and dollar amount.



HCDC Business Center is at capacity and has a waiting list for the first time in its history.



# HCDC Business Lending

Dedicated to helping small businesses grow our economy through SBA financing and job creation.

39 

SBA 504 loans for total investment of \$99,978,197

 \$33M+  in HCDC loans were a company record

Total investment from loan programs resulted in

383



HCDC is dedicated to providing financing to small businesses, which helps create jobs and increase the tax base in local communities. HCDC's assistance includes the SBA 504 Loan and Ohio Regional 166 Loan Programs for owner-occupied real estate/capital equipment, or the SBA Intermediary Lending Pilot Program (SBA-ILP) for smaller projects. Whatever financing works best for the small business borrower determines what loan program is utilized.

### Approvals:

- 39 SBA 504 loans for \$32,987,000 in gross debenture and total investment of \$99,978,197
- 2 Ohio Regional 166 loans for \$159,000 and total investment of \$386,204
- Total investment from loan programs over \$100,000,000 and resulted in the creation/retention of 383 jobs
- Of the 41 loans, 19 went to woman-owned, minority-owned, and/or veteran-owned businesses totaling \$16,274,000 in gross debentures and \$56,093,425 in total investment
- The \$33,146,000 in HCDC loans were a company record

### SBA 504 Portfolio as of 9/30/18:

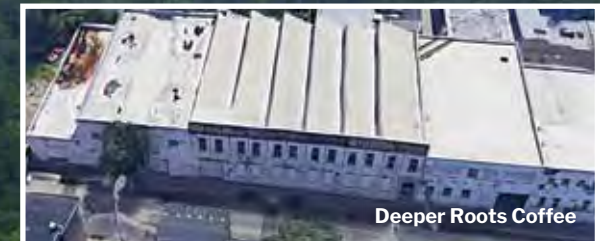
- 345 for \$132,907,345

### Fundings:

- 37 loans for \$26,515,000



Canton Pediatrics



Deeper Roots Coffee



MadTree Brewing

### Highlights

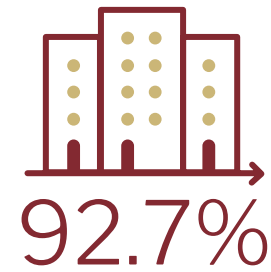
- Madtree Brewing loan funded for \$5.2 million, largest HCDC loan ever
- Heritage Truck Approval in northeast OH
- Funded our first two refinance deals under the new SBA 504 Debt Refinance Program
- David Main retires and is named to NADCO Hall of Fame
- Top SBA 504 Lender in Ohio 3 Years Running



HCDC provided an SBA 504 Loan to Kelsey Chevrolet in SE Indiana to expand and grow its business.



# HCDC Business Center



92.7%  
Current occupancy rate  
- highest ever



Awards won by  
Business Center & Clients

HCDC Business Center saw 19 new companies enter either the Incubation or CoWorks program in 2018. The program also increased the diversity of its entrepreneurial environment by adding eight minority- and/or women-owned businesses to its client list.

Plus, our clients have seen tremendous growth in 2018 in the areas of revenue growth, access to capital, job creation, and space utilized.

HCDC Business Center had a stellar year in FY 2018. The past 12 months has seen the Business Center continue to shine as an award-winning incubation and ideation space, while continuing to be one of the State of Ohio's leaders in graduating companies to the Southwest Ohio marketplace. This year, we celebrated the 150th monthly session of our groundbreaking Morning Mentoring program that aids early stage entrepreneurs with coaching, mentoring, presentation skills, and accessing capital.



Co-Founders Dhani Jones, Chris McLennan and Max Eisenberg of ACTIONSTREAMER, a wireless, wearable livestreaming platform that generates live point-of-view (POV) content.



\$24M  
Client revenues



8  
Client company graduations



\$28M  
Capital accessed by clients



15  
Number of client expansions



80 JOBS  
Client jobs created

## An award-winning incubation and ideation space



In 2018, the HCDC Business Center experienced the highest occupancy rate in the history of the organization.

### Highlights

- Clients' revenues totaled over \$24 Million
- Capital was accessed by 18 companies and totaled over \$28 Million
- 80 jobs with an average salary exceeding \$53K were created
- Overall occupancy rates improved from 79.7% to 92.7% as fifteen companies expanded space this year



# HCDC Economic Development



HCDC received two Duke Energy grants in 2018 to provide Small Business Coaching and redevelopment support



Small Business Coaching

HCDC's Economic Development Office is by contract the Economic Development Office for Hamilton County, Ohio. The office assists in economic development of the region by coordinating resources, financing, and incentives to both attract and retain businesses and jobs. Additionally, it provides expert technical assistance to businesses in individual communities through contracted business coaching.

## Highlights



190 companies assisted via Hamilton County Business Retention Council



Created OIC and initiated Economic Gardening® pilot program of 10 companies



Signed contracts to administer Community Reinvestments Areas (CRAs) in several new communities



Updated the Comprehensive Economic Development Strategy of Hamilton County



Took the lead in Hamilton County on Opportunity Zones to promote development in economically distressed communities

Utilized incentives and other programs resulting in **\$49M** in investment

**1,412 JOBS** Created/retained

**TAX** + **\$620M** + **5,673 JOBS**  
Oversaw 39 existing tax incentive agreements with the Tax Incentive Review Council, resulting in more than \$620 million in investment, and 5,673 jobs created/retained

Enterprise Zone agreement with



that will create 20 new jobs and retain 60

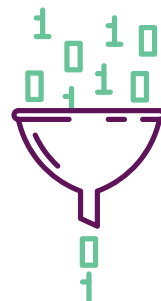


2018 Hamilton County Real Estate Update Seminar



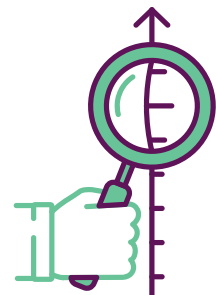
HCDC's Office of Innovation + Creativity helps innovative companies from \$1M to \$50M in revenue and with 10 to 100 employees make strategic growth decisions by providing access to in-depth market research, geographic market expansion potential, and connection to implementation resources.

In 2018, HCDC worked with a pilot group of ten companies to facilitate technical assistance through the Lowe Foundation's "Economic Gardening" program. Feedback from companies completing the program has been extremely positive.



**Technical Assistance**

Providing the best and latest access to new markets, customer and competitor intelligence, and analytics.



**Strategic Information**

Curating and presenting the latest and most innovative best practices, thought leaders, and ideas for your growth.



**Connectivity**

A network of support for second stage companies including CEO roundtables and peer learning groups.

“ We expect to realize sales potential of over \$1M in revenue through the information received with this partnership and looking to provide quick ROI, ”

**MATT SOKANY**  
Standard Bariatrics

# Staff, Board of Directors, & Members



## Staff

- Peg Moertl**, President/CEO
- Marianne McWilliams**, Office Administrator
- Kacey King Redmond**, Marketing Director
- Chris Wagner**, Vice President & Comptroller
- Jim DeBruler**, Staff Accountant

### HCDC – BUSINESS LENDING

- Andrew Young**, Vice President & Senior Loan Officer
- Jon Main**, Director of Loan Operations
- Jeff Hasapis**, Director, HCDC East
- Angela Howard**, Loan Officer
- Michael Crowe**, Loan Officer
- Darlene Herald**, Loan Servicing Agent
- Casey Brown**, Loan Administrator

### HCDC – BUSINESS INCUBATION

- Patrick Longo**, Vice President & Business Center Director
- Dennis Reinersman**, Business Coach
- Brenda Holloway**, Administrative Assistant

### HCDC – ECONOMIC DEVELOPMENT OFFICE

- Harry Blanton**, Vice President & Manager
- Catherine Fitzgerald**, Senior Director
- Karla Boldery**, Director of Innovation Services
- Daniel Ferguson**, Senior Development Specialist
- Dustin Montgomery**, Senior Development Specialist
- Katherine Brun**, Economic Development Specialist
- Bob Pickford**, Business Coach

## Board of Directors

- Timothy Blankenhorn**, Board Chair, SVP, Business Banking Area Manager, Huntington National Bank
- Paul Brehm**, Economic Development Director, City of Forest Park
- Marilyn Coleman**, GM Wholesale Subsidiary & CFO, United Dairy Farmers
- David Jackson**, Vice Chair, Market President SW Ohio, CFBank
- Lisa Diedrichs**, Attorney, Graydon Head & Ritchey LLP
- Jeffrey Bender**, Secretary, Executive Managing Director, Cushman & Wakefield
- Daniel Geeding, PH.D., CPA**, Guidance Partners
- Andy Covode**, Treasurer, Tax Partner, Plante & Moran
- Joe Huber**, Chief Operating Officer/ Chief Loan Officer, Cincinnati Development Fund
- David Lingler**, Past Chair, Managing Member, Black Dog Valuation and Consulting, LLC
- Sheila Mixon**, Senior Vice President, Business Development & Entrepreneurship, Greater Cincinnati Urban League
- Beth Robinson**, President & CEO, Uptown Consortium, Inc.
- James Watkins**, President, TriVersity Construction Co. CFO, Adex International

## General Members

Dorothy Air, Ph.D.	Adam Davey	Ross Geiger	Daniel Heyd	Chris Lyons	Alan Piker	Steve Sievers	Cindy Voorhies
Jeff Aluotto	Lisa Diedrichs	Josh Gilbert	Joe Huber	Vince Marion	Joe Rickard	Paul Silva	Todd Wade
S. Franklin Arner	Shawn Dougherty	George Glasser	Myron Hughes	Charles Matthews	Beth Robinson	Mark Sims	James Watkins
Casey Barach	Nicholas Eberhard	Martha Goldbeck	David Jackson	Jay Melzer	James Rolfes	Ian Smith	Peter Wickgenannt
Jeffrey Bender	Brian Elliff	Jeanne Gollither	Tony Johnson	Brent Messmer	John Rost	Kim Snyder	Josh Wice
Timothy Blankenhorn	Nicholas Eberhard	Dr. Melvin Gravely	Laurence Jones III	Geoff Milz	Christine Russell	Adam Stypula	Sue Wilson
Mike Bollin	Brian Elliff	William Hagerty II	Christopher Kaboth	Brad Mitchell	Thomas Saelinger	Lori Telesz	Edward Wood
Paul Brehm	Rob Etherington	Erick Harback	Rob Kranz	Sheila Mixon	Stephen Schillig	Jay Treft	Michael Yanico
Marilyn Coleman	Crystal Faulkner	James Harrison	Robert LaMothe	Thomas Moeller	Reid Schlotterbeck	Matthew Van Sant	
Andy Covode	Ken Feldmann	Tracy Hawkins	Michael Lemon	Clifton Morehead	William Schumacher	Michael Vank	
	William Fischer	Neil Hensley	David Lingler	Gregory Niesen	John Shultz, Jr.	Richard Vaughan	
	Daniel Geeding	Bob Herman	Crystal Lorimor	Joe O'Brochta	Mark Shuss	John Vissman	

## 2018 Committees

### AUDIT COMMITTEE

**Andy Covode**, Committee Chair, Senior Tax Manager, Plante & Moran

**Timothy Blankenhorn**, SVP, Business Banking Area Manager, Huntington National Bank

**Marilyn Coleman**, GM Wholesale Subsidiary & CFO, United Dairy Farmers

**Daniel Geeding**, Ph.D., CPA, Guidance Partners

**Joe Huber**, Chief Financial Officer/Chief Loan Officer, Cincinnati Development Fund

**David Lingler**, Black Dog Valuation & Consulting, LLC

**Sheila Mixon**, Senior Vice President, Business Development & Entrepreneurship, Greater Cincinnati Urban League

**Joe Rickard**, CFO, ADEX International

### ECONOMIC DEVELOPMENT COMMITTEE

**Paul Brehm**, Committee Chair, Economic Development Director, City of Forest Park

**Frank Birkenhauer**, Township Administrator, Green Township

**Judi Boyko**, Assistant County Administrator, Hamilton County

**Marilyn Coleman**, GM Wholesale Subsidiary & CFO, United Dairy Farmers

**Lisa C. Diedrichs**, Attorney, Graydon Head & Ritchey LLP

**Jeanne Gollhofer**, President & CEO, Cincinnati Development Fund

**Myron Hughes**, Managing Director, BlueRose Supply, LLC

**Laurence Jones III**, President, Stay Focused Consulting

**Todd Kinskey**, Director of Planning & Development, Hamilton County

**Chris Xeil Lyons**, Director of Economic Development, City of Sharonville

**Alan Piker**, Cresa Cincinnati

**Beth Robinson**, President & CEO, Uptown Consortium, Inc.

**Toni Selvey-Maddox**, Retired, Economic Development Consultant

**David Smith**, Retired

**Matthew Van Sant**, President & CEO, Clermont, Chamber of Commerce

### ENTREPRENEUR ASSISTANCE COMMITTEE

**Daniel Geeding**, Committee Chair, Guidance Partners

**Bryan Becker**, Global Engineering & Process Improvement Manager, Michelman

**Greg Bell**, University of Cincinnati, Entrepreneur in Residence, KCB Capital Partners / Beckman

**Daniel Heyd**, Partner, Graydon Head

**Sean P. Kwiat**, CincyTech

**Mark Lacker**, Institute for Enterprise Studies, Miami University

**Sheila Mixon**, SVP, Business Development & Entrepreneurship, Greater Cincinnati Urban League

**Brad Mitchell**, Vice President, Business & Finance, Wilmington College

**Julie T. Muething**, Partner, Keating Muething & Klekamp PLL

**Kendra Ramirez**, President, Kendra Ramirez Digital Agency

**Dawn M. Tolonen**, Xavier University, Director Sedler Center

**James Watkins**, President, TriVersity Construction Co.

### EXECUTIVE COMMITTEE

**Timothy Blankenhorn**, Committee Chair, SVP, Business Banking Area Manager, Huntington National Bank

**David Jackson**, Vice Chair, Market President, SW Ohio, CF Bank

**Jeffrey Bender**, Secretary, Executive Managing Director, Cushman & Wakefield

**Andy Covode**, Treasurer, Tax Partner, Plante & Moran

**David Lingler**, Immediate Past Chair, Black Dog Valuation & Consulting, LLC

**Paul Brehm**, Economic Development Director, City of Forest Park

**Lisa C. Diedrichs**, Attorney, Graydon Head & Ritchey LLP

**Joe Huber**, Chief Operating Officer/Chief Loan Officer, Cincinnati Development Fund

**Sheila Mixon**, SVP, Business Development & Entrepreneurship, Greater Cincinnati Urban League

### PROJECT REVIEW COMMITTEE EAST CENTRAL OHIO

**Vince A. Marion**, Committee Chair, Director, Planning & Development, City of Louisville

**S. Franklin Arner**, Partner, Hall, Kistler & Company, LLP

**Shawn Dougherty**, Commercial Loan Officer, Home Savings Bank

**George Glasser**, Senior Vice President, Business Bank Market Manager, The Huntington National Bank

**Christopher Kaboth**, Vice President, Corporate Finance, Whitacre-Greer

**Crystal L. Lorimor**, Interim Director, Community Improvement Corporation of Belmont County / Department of Development

**Steve Schillig**, SBDC Director, Kent State University-Tuscarawas

**William F. Schumacher**, Senior Vice President, Market Leader, Westfield Bank

**John D. Shultz, Jr.**, Vice President, Commercial Banking, Farmers National Bank

**Mark Shuss**, Senior Commercial Banking Executive, Unified Bank

**Lori Telesz**, Vice President, Business Banking, PNC Bank

**Cindy Voorhies**, SBDC Business Advisor, Ohio University, Voinovich School of Leadership & Public Affairs

**Sue Wilson**, Vice President / Business Banker, The Community Bank

**Michael J. Yanico**, Vice President, Peoples Bank

**Jeffrey S. Yeary**, Vice President, Senior Credit Officer, KeyBank National Association

### PROJECT REVIEW COMMITTEE (KY)

**Jeffrey Bender**, Committee Chair, Executive Managing Director, Cushman & Wakefield

**Adam Davey**, Von Lehman & Company

**Martha Goldbeck**, Compliance Officer, North Side Bank & Trust

**William Hagerty**, Johnson ReSource Group

**Tony Johnson**, Vice President, Business Banking Team Leader, The Huntington National Bank

**Joe O'Brochta**, Vice President, Commercial Portfolio Manager, BB&T

**Thomas R. Saelinger**, Cincinnati Market President, Republic Bank

**Reid Schlotterbeck**, Senior Tax Manager, Barnes & Dennig

**Jay Treft**, Talbert House

**John Vissman**, Director of Development, Children's Law Center

**Peter J. Weickgenannt**, Senior Lender, Heritage Bank

**Steven Young**, Business Banking Officer, Small Business Banking, U.S. Bank

### PROJECT REVIEW COMMITTEE (OH/IN)

**Joe Rickard**, Committee Chair, CFO, ADEX International

**Andy Covode**, Tax Partner, Plante & Moran

**Rob Etherington**, Vice President, CenterBank

**William Hagerty**, Johnson ReSource Group

**Tracy Hawkins**, Attorney at Law, Hawkins Law LLC

**Bob Herman**, Vice President, North Side Bank & Trust Co.

**Joe Huber**, COO & Chief Lending Officer, Cincinnati Development Fund

**David Jackson**, Market President, SW OHIO, CF Bank

**James E. Johnson**, Vice President, Commercial Banking-Southwest Ohio, Wesbanco Bank, Inc.

**Rob Kranz**, Cincinnati Growth Partners

**Thomas Moeller**, City Manager, City of Madeira

**Gregory Niesen**, CEO, Watch Hill Bank

**John Rost**, Senior Vice President, LCNB National Bank

**Paul C. Silva**, President, First Financial Bank, N.A.

**Kim Snyder**, Vice President, Business Banking, Relationship Manager, The Huntington National Bank

**Adam Stypula**, Senior Vice President, Commercial Banking, Park National Bank

**Richard Vaughan**, Senior Vice President, Commercial Banking West Region, Peoples Bank

**Todd Wade**, Senior Vice President, KeyBank

# The Numbers

## HCDC / HCBC CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

CURRENT ASSETS	
Cash and cash equivalents	2,335,381
Accounts receivable, general	382,302
Borrower notes receivable, current portion	72,014
Hamilton County contract receivable	267,209
Prepaid expense and deposit	94,036
<b>Total current assets</b>	<b>3,150,942</b>

PROPERTY AND EQUIPMENT	
Land, building, furniture and equipment	7,229,208
Less accumulated depreciation	(5,544,293)
<b>Net property and equipment</b>	<b>1,684,915</b>

OTHER ASSETS	
Investments	64,279
Borrower notes receivable, net of current portion	815,017
Total other assets	879,295
<b>Total assets</b>	<b>5,715,152</b>

CURRENT LIABILITIES	
Accounts payable - trade	39,375
Note payable, current portion	57,415
Unearned revenue	80,226
Accrued expenses: salaries, vacation, taxes	389,138
Customer deposits: borrowers, banks, tenants	200,149
<b>Total current liabilities</b>	<b>766,303</b>

LONG TERM LIABILITIES	
<b>Total long term liabilities</b>	<b>799,920</b>

NET ASSETS	
Unrestricted, including board designated funds of \$1,600,000	4,073,691
Temporarily restricted	75,239
<b>Total net assets</b>	<b>4,148,930</b>

Total liabilities and net assets	
<b>Total liabilities and net assets</b>	<b>5,715,152</b>

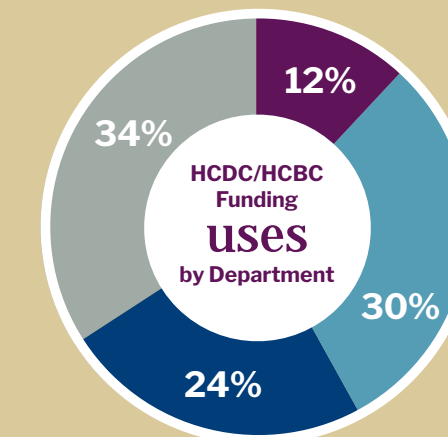
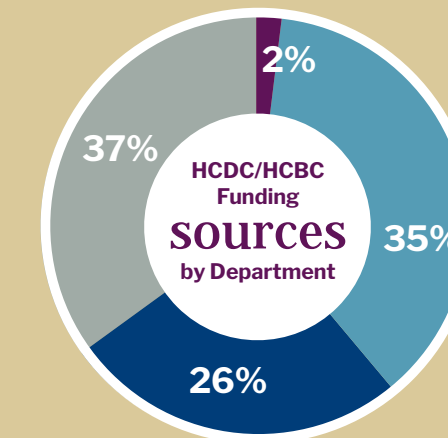
## HCDC / HCBC CONSOLIDATED STATEMENTS OF ACTIVITIES

SUPPORT AND REVENUES	Total
SBA 504 program fees	1,185,206
Other Lending program fees	136,565
Hamilton County contract	877,305
Local community contracts	147,982
Enterprise zone fees/IDB revenue	26,098
Third Frontier contract	607,480
HCBC rental and service income	698,806
Business assistance service income	-
Interest and other income	14,080
Donation income	78,787
Gain (loss) on investment	(6,128)
Loss on disposal of asset	-
<b>Total support and revenues</b>	<b>3,766,180</b>

EXPENSES	Total
Personnel compensation/benefits/taxes	2,624,048
Professional expense	151,492
Office/administrative expense	194,042
Travel/training/staff development	63,684
Building operations expense	437,393
Building depreciation expense	214,856
Promotions/marketing expense	28,473
Program admin expense	15,270
Board expense: meetings/insurance	15,402
Bad debts/other expense	525
<b>Total Expense</b>	<b>3,745,186</b>

Increase (decrease) in net assets	
<b>Increase (decrease) in net assets</b>	<b>20,994</b>

## INCOME AND EXPENSES BY DEPARTMENT



Department	Income	Expense	Net Income
Lending	1,320,656	1,133,100	187,556
Economic Development	998,421	895,166	103,255
Business Assistance/Incubation	1,378,848	1,263,834	115,014
Administration/Marketing/Other	68,255	453,086	(384,831)
<b>Total</b>	<b>3,766,180</b>	<b>3,745,186</b>	<b>20,994</b>