

Regional Business Fund, Inc. Board of Directors
March 2006 – March 2007

President	Raymond Hughes	Eau Claire County
Vice President	Diane Murphy	Clark County
Secretary/Treasurer	Linda Clark	At-large
	Charles Stokke	Dunn County
	Steve Perry	St. Croix County
	Jess Miller	Barron County
	Lee Rusch	Chippewa County

Regional Business Fund, Inc. (RBF, Inc.)
2006 Annual Report

The Regional Business Fund, Inc. (RBF) is a non-profit economic development corporation whose purpose is to promote business and economic development in west central Wisconsin. The RBF offers loan funds to businesses that expand within the region, diversify the economy, add new technology and create quality jobs and capital investment in the region.

The RBF has managed an Economic Development Administration (EDA) funded business loan fund for the West Central Wisconsin Regional Planning Commission (Commission) since 1995. The RBF has provided \$1,194,551 in low interest loan funds to 22 businesses in west central Wisconsin. The loan funds have leveraged over \$17 million of private funds for new development and helped create over 400 jobs to date. The Commission provides administrative support and management oversight.

The RBF will oversee two business loan fund programs in west central Wisconsin: TEF and Consolidated Loan Fund. The Technology Enterprise Fund (TEF) is a quasi-equity fund to help businesses develop new technology in west central Wisconsin. The RBF will manage the loan fund for the Commission. The Commission received \$396,000 of HUD EDI grants to create the fund. The other new loan fund is the Consolidated CDBG/RLF Loan Fund with an estimated capitalization of \$14 million. The Commission, working with 31 communities in west central Wisconsin and the Wisconsin Department of Commerce, developed an Investment Strategy for the consolidation of small cities Community Development Block Grant (CDBG) business revolving loan funds (RLF) in the region. Twenty-six (over 80%) of the communities agreed to consolidate their CDBG funded business loan funds into the pool.

The funds are available for businesses within the Wisconsin counties of Barron, Chippewa, Clark, Dunn, Eau Claire, Polk, and St. Croix.

EDA Loans Approved to Date	Loan Amount	County (Community)
Lake Holcombe Industries, Inc.	\$100,000	Chippewa (Cornell)
Herdsmen Feeds, Inc.	35,000	Dunn (Connersville)
Welcome Dairy, Inc. and BLT Partnership	185,000	Clark (Unity)
Bruce Kunze d/b/a Kut & Dried Millwork	14,500	Clark (Neillsville)
Vets Plus, Inc.	100,000	Dunn (Knapp)
St. Croix Technologies	13,500	St. Croix (Somerset)
M.R.S. Machining Co., Inc.	16,900	Eau Claire (Augusta)
Viking Brewing Company	25,000	Barron (Dallas)
CRI Recycling Co., Inc.	30,000	St. Croix (Woodville)
Beaver Creek Wood Products, Inc.	50,000	Barron (Chetek)
iMARK Molding, LLC	60,000	St. Croix (Woodville)
KDC Foods, Inc.	7,151	Eau Claire (Eau Claire)
Exact Manufacturing, Inc.	50,000	St. Croix (Woodville)
St. Croix Castings, Inc.	62,500	St. Croix (Woodville)
Premier Dies Corporation	50,000	Chippewa (Eau Claire)
KDC Foods, Inc.	25,000	Eau Claire (Eau Claire)
Premier Dies Corporation	40,000	Chippewa (Chippewa Falls)
Midwest Aluminum, Inc.	30,000	Clark (Withee)
RSTC Enterprises, Inc.	25,000	Eau Claire (Eau Claire)
LUK Corporation	100,000	Dunn (Menomonie)
Interfacial Solutions, LLC	100,000	St. Croix (Hudson/River Falls)
OEM Fabricators, Inc.	75,000	Clark (Neillsville)
TOTAL	\$1,194,551	

2006 EDA Loan Fund Activities

- Approved a \$75,000 loan for OEM Fabricators, Inc. to assist with capital equipment expenditures as part of an \$8 million plant expansion in the City of Neillsville. OEM Fabricators is expected to create up to 200 new jobs.
- Disbursed \$100,000 to Interfacial Solutions in Hudson, Wisconsin for R&D working capital. Interfacial Solutions is developing several new polymer blends and composites. The company provides differentiated technology and products to the plastics industry.

- RSTC Enterprises, Inc. in Eau Claire repaid its loan.
- Amended the EDA Loan Fund Reuse Plan and the bylaws to add Polk County as a newly eligible county approved by EDA. The EDA loan funds are now available for businesses located in Barron, Chippewa, Clark, Dunn, Eau Claire, Polk, and St. Croix Counties.

2006 TEF and Consolidated CDBG/RLF Loan Fund Activities

Technology Enterprise Fund (TEF). The RBF developed procedures for the Fund and created a Technology Advisory Committee to review proposals. The RBF also entered into a subgrantee/management agreement with the Commission.

Consolidated CDBG/RLF Loan Fund.

- Entered into an Agreement with the Wisconsin Department of Commerce for the overall management of the consolidated loan fund.
- Adopted the Investment Strategy prepared by local communities and a Procedures Manual for the operation of the consolidated fund.
- Amended its bylaws and Articles of Incorporation. The local governments participating in the consolidation will determine how to appoint members to represent them on the RBF Board.
- Entered into an Administration Agreement with the Commission for staffing and administrative services for the consolidated loan fund.
- Chippewa County transferred its RLF loans and funds to the RBF. The other participants will transfer their funds in 2007.
- The Commission contracted with a software company to develop software to manage the consolidated loan funds. The software will allow communities to track loan activities via the internet when it is fully functional and businesses to apply on-line.
- Established a Repo Sweep Account as an operating account for the consolidated loan funds which allows the RBF to exceed the FDIC insurance limits and to earn a competitive daily rate of return.

**Regional Business Fund, Inc. (RBF, Inc.)
2006 Profit & Loss Statement**

Revenue		
EDA Fund		\$25,672
Loan Assignment-Consolidated Fund	\$1,147,611	
RLF Cash In-Consolidated Fund	133,007	
Loan Interest-Consolidated Fund	2,533	
	Total Consolidated Fund	<u>\$1,283,151</u>
	Total Revenue	\$1,308,823
Expenses		
EDA Administrative Expenses	\$16,224	
	Total Expenses	<u>\$16,224</u>
	NET PROFIT (LOSS)	\$1,292,599

**Regional Business Fund, Inc. (RBF, Inc.)
Balance Sheet as of December 31, 2006**

Assets		
Cash-EDA Fund	\$131,202	
Cash-Clark Co. OEM Participation Loan	75,000	
Cash-Consolidated Fund	141,370	
Loan Receivable-EDA Fund	387,256	
Loan Receivable-Consolidated Fund	1,141,781	
	Total Assets	\$1,876,609
Liabilities		
OEM Loan Commitment	\$150,000	
WCWRPC Administration	13,435	
	Total Liabilities	\$163,435
Fund Balance		
EDA Fund	\$430,023	
Consolidated Fund	1,283,151	
	Total Fund Balance	\$1,713,174
	Total Liabilities & Fund Balance	\$1,876,609