

**Headwaters Fund Board Meeting Agenda**  
**May 16, 2017 – 12:15-2:45**  
**Prosperity Center, 520 E Street, Eureka**

*The Headwaters Fund invests in projects through grants and loans with the goal of helping the citizens of Humboldt County achieve increased economic opportunity, prosperity, and quality-of-life.*

1. Opening (12:15)
  - a. Introductions
  - b. Public comment on non-agenda items
  - c. Report out on meetings attended
  
2. Spending Plan for 2017-18 (12:35)
  - a. Discussion
  - b. Public Comment
  - c. Action
  
3. Business Succession (1:25)
  - a. Discussion
  - b. Public Comment
  - c. Action
  
4. Staff and Board Updates (2:00)
  - a. Discussion
  - b. Public Comment

Adjourn Next Meeting: July 18, 2017 ==>>> NO JUNE MEETING!!

Next meeting:  
Approval of April 25, 2017 Headwaters Fund Board minutes

## AGENDA DETAIL

### AGENDA ITEM 2

**DISCUSSION**

Discuss the spending plan for 2017-18.

**ACTION**

Develop and recommend approval of spending plan

### AGENDA ITEM 3

**DISCUSSION**

Discuss the interest of the HFB in pursuing the business succession topic again, decide which direction to go in, as well as next steps, key players/roles, timeline, etc.

**ACTION**

Develop plan for business succession and direct staff to implement plan.

**Headwaters Fund 2016-17 Quarter Report**

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Quarter ending: 12/31/2016

	Budget	Actual to Date
FY 15-16 Interest Earned	\$ 433,265	\$ 209,389
FY 16-17 Operating Budget	\$ (166,913)	\$ (91,861)
FY 16-17 Loan Loss Repayment	\$ -	\$ -
FY 16-17 LLR transfer		
FY 16-17 Grant Budget	\$ (20,000)	\$ -
FY 16-17 Expenses	\$ (186,913)	\$ (91,861)
Unallocated Funds *	\$ 246,352	\$ 117,528

**2017-2018 Projected**

Interest Earned 16/17	\$420,000
Loan Loss	\$0
Operating Budget	(\$105,000)
Grant Commitments	(\$170,000) DoD, mini-grants
Unallocated	\$145,000

FY 2016-17 OPERATING BUDGET					
Fund Number	Description	Budget	Actual	% Fiscal Year Completed	% Funds Expended
1120-286	Operating Budget	\$ 166,913	\$91,861	50%	55%
FY 2015-16 LOAN LOSS RESERVE REPAYMENT OBLIGATION**					
Fund Number	Description	Budget	Awarded/ Accrued	% Fiscal Year Completed	% Funds Obligated
3844	Loan Loss Reserve Repayment**	\$ -		50%	0%
FY 2016-17 AWARD BUDGET					
Fund Number	Description	Budget	Awarded/ Accrued	% Fiscal Year Completed	% Funds Obligated
3846	Community Investment Fund	\$ -	\$ -	50%	0%
3848	Grant Fund	\$ -	\$ -	50%	0%
3848	Mini Grant Fund	\$ 20,000	\$ -	50%	0%
3849	Initiative Fund	\$ -	\$ -	50%	0%
<b>TOTAL Award Budget</b>		<b>\$ 20,000</b>	<b>\$ -</b>		<b>0%</b>

\* Must be greater than "0"

\*\* From Previous Fiscal Year Loan Loss Experience

# Headwaters Fund 2016-17 Quarter Report

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Quarter ending: 12/31/2016

FY 2016-17 PROJECTED BUDGET					
Fund Number	Description	Forecasted Earnings	Actual	% Fiscal Year Completed	% Funds Earned
<b>3847 &amp; 3849</b>	<b>County Pool Interest</b>	65,000	\$ 27,013	50%	42%
	Average Balance		\$ 5,132,587		
	Yield		0.53%		
<b>3843 &amp; 3846</b>	<b>Lending Interest (RLF &amp; CIF)</b>	225,000	\$ 108,072	50%	48%
	Average Receivables Balance		\$ 5,156,544		
	Yield		2.10%		
<b>3852</b>	<b>Long Term Endowment</b>	140,000	\$ 74,304	50%	53%
	Average Receivables Balance		\$ 7,000,000		
	Yield		1.06%		
	<b>TOTAL INTEREST</b>	<b>\$ 430,000</b>	<b>\$ 209,389</b>	<b>50%</b>	<b>49%</b>

FY 2015-16 LOAN LOSSES**** / 2016-17 LOAN LOSS RESERVE REPAYMENT OBLIGATION					
Fund Number	Description	Budget	Actual	% Fiscal Year Completed	% Funds Obligated
<b>3844</b>	<b>Loan Losses****</b>	\$ -	\$ -	50%	

FY 2015-16 LOANS IN DEFAULT					
Fund Number	Description	Unresolved	Resolved	% Fiscal Year Completed	% Funds Obligated
	AEDC		0		
	RREDC	\$ -	\$ -		
	CIF	\$ -	\$ -		
	<b>Loans in Default</b>	<b>\$ -</b>	<b>\$ -</b>	<b>50%</b>	<b>0%</b>

\*\*\*\* Carries forward to Next Fiscal Year Loan Loss Reserve Repayment Budget/Spending

# Headwaters Fund 2016-17 Quarter Report

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Quarter ending: 12/31/2016

FY 2016-17 CASH FLOW STATEMENT									
	3843	3844	3846	3847	3848	3848	3849	3852	TOTAL
	Revolving Loan Fund	Loan Loss Reserve Fund	Community Investment Fund	Liquidity Fund	Grant Fund	Mini Grant Fund	Initiative Fund	Endowment Fund	
6/30/2016									
Beginning Balance:	\$ 2,232,487	\$ 560,000	\$ 2,366,030	\$ 39,305	\$ 2,006	\$ 21,484	\$ 7,132,155	\$ 12,353,467	
<i>Transfers</i>									
Loan Principle									
AEDC	\$ 306,830								\$ 306,830
RREDC	\$ 20,351								\$ 20,351
CIF			\$ 25,243						\$ 25,243
Loan Interest									
AEDC	\$ 42,198								\$ 42,198
RREDC	\$ 64,198								\$ 64,198
CIF			\$ 1,677						\$ 1,677
Account Interest									
Endowment								\$ 74,304	\$ 74,304
RLF & Initiative							\$ 13,882		\$ 13,882
Liquidity & CIF				\$ 13,131					\$ 13,131
Disbursements									
RLF: AEDC	\$ (669,307)								\$ (669,307)
RLF: RREDC	\$ (4,057)								\$ (4,057)
CIF: RESCUE			\$ (17,468)						\$ (17,468)
Grants									
Operating	\$ (169,546)			\$ (22,118)					\$ (191,664)
Ending Balance:	\$ 1,923,154	\$ 560,000	\$ 2,375,284	\$ 30,318	\$ 2,006	\$ 35,366	\$ 7,206,459	\$ 12,132,587	\$ 12,132,587

# Headwaters Fund 2016-17 Quarter Report

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Quarter ending: 12/31/2016

FY 2016-17 AR/AP SHEET									
	3843	3844	3846	3847	3848	3848	3849	3852	
	Revolving Loan Fund	Loan Loss Reserve Fund	Community Investment Fund	Liquidity Fund	Grant Fund	Mini Grant Fund	Initiative Fund	Endowment Fund	TOTAL
ASSETS									
Cash	\$ 1,923,154	\$ 560,000	\$ 2,375,284	\$ 30,318	\$ 2,006	\$ -	\$ 35,366	\$ 7,206,459	\$ 12,132,587
Receivables									
	AEDC \$ 2,506,383								\$ 2,506,383
	RREDC \$ 2,650,160								\$ 2,650,160
	CIF								\$ -
LIABILITIES									
Grants									
Operating	\$ (56,289)		\$ (550,000)	\$ (18,763)	\$ -	\$ (187,017)	\$ -		\$ (737,017)
<b>TOTAL</b>	<b>\$ 7,023,409</b>	<b>\$ 560,000</b>	<b>\$ 1,825,284</b>	<b>\$ 11,555</b>	<b>\$ (185,011)</b>	<b>\$ -</b>	<b>\$ 35,366</b>	<b>\$ 7,206,459</b>	<b>\$ 16,477,062</b>

Notes:

Loans in Default: AEDC  
RREDC  
Total \$ -

CIF Grant Liabilities

Decade Yrs 5-6 300,000  
MRG 250,000 Expires 2/25/17  
Mariculture - Final paid 12/15/16

Grant Liabilities

HBC - project cancelled  
Aquaculture - Final paid 2/5/15  
Orick 37,017 Checking status  
Decade Yr 7 150,000

Receivables CIF  
RCEA in 2017 300,000

187,017