

EDFC is a non-profit 501(c)(3) corporation with a board of directors. In January, the County Board of Supervisors voted to do an assessment of the county's return on their annual \$30,000 contribution to EDFC. The expectation was that this would be a simple review that would be done in-house.

EDFC was contacted by Robert Eyler, the contractor hired by the county, in early June to initiate the assessment. When he shared the scope of his contract, at a cost to the county of \$23,500, it was evident that the scope went far beyond what the Supervisors voted to approve. The analysis includes a fiscal and structural overview of EDFC. The Portfolio analysis compares EDFC to several other lending non-profits. Two of these are much bigger than EDFC and the Executive Director of one, Arcata Economic Development Corp., told EDFC that he does not think comparing our two organizations is a good match. The other, Working Solutions, is one of the largest non-profit lenders in the state, serving 8 counties in the Bay Area, a market that is not comparable to EDFC's current region of Mendocino and Lake Counties.

EDFC staff communicated with Eyler and with County Deputy CEO Antle, about concerns of confidentiality only per the names of business loan clients being made public. EDFC never suggested that other information was confidential per "businesses and jobs created, business and job retained, success and default rate of local business loans and location of loans and whether within the County's unincorporated area". We were told to wait for the Supervisors to respond to our concerns.

We are asking the Supervisors to amend the scope of work to a simple assessment of whether input into the local business economy through EDFC's lending program is an adequate return on the County's annual \$30,000 support. We also need the county to agree in writing to not include any individual business name in the final report that may be made public.

Thank you for your understanding and support.

Sincerely,  
John Goldsmith  
EDFC Board Chairman