

# East Texas Regional Development Company

2007  
Annual  
Report



An affiliate of the East Texas Council of Governments



Perseverance is the hard work you do after you get tired of doing the hard work you already did.

-Newt Gingrich

<b>Loans approved by ETRDC Board .....</b>	<b>8</b>
<b>Loans submitted &amp; approved by SBA.....</b>	<b>7</b>
<b>Total amount of approved loans .....</b>	<b>\$2,469,000</b>

# 2007 Annual Report

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## General Membership

### BOARD OF DIRECTORS

Mr. Brad Bunt, Chair Kilgore College Small Bus. Development Center	Mr. Troy M. Robinson Bank Texas
Mr. Alan Grantham, Vice-Chair BancorpSouth	Mr. Hunter Hilburn ED Suite
Mr. Ronald Moody, Secretary/Treasurer Rusk County	Mr. Jay Stokes City of Gladewater
Ms. Brenda Samford City of Carthage	Mr. David Ruff First State Bank Hallsville
Mr. Steve Manley Southside Bank	Mr. Mike Newland Total Quality Machining
Ms. Natalie Lynch Austin Bank	

### MEMBERS

Commissioner Bill Hale Rusk County	Commissioner Jerry Lomax Harrison County
Mayor John Paul Tallent City of Gladewater	Mayor Angela Raiborn City of Rusk
Commissioner Jerry Galloway Wood County	Mayor Ned Fratangelo City of Jefferson
Mayor Terry Tolar City of Grand Saline	Commissioner JoAnn Hampton Smith County
Mr. George Wilkins Upshur-Gregg SWCD	Commissioner Jerry West Henderson County
Commissioner Larry Shelton Camp County	Councilmember Andrea Baird City of Palestine
Commissioner Buddy Ferguson Upshur County	Mayor Carson Joines City of Carthage
Mayor James Ballard City of Lindale	Mayor Cay House City of Emory
Commissioner Charles Davis Gregg County	

# Financial Section



Fiscal Year 2007 has seen some dramatic changes to the staff of the ETRDC. With the retirement of Executive Director, Glynn Knight and the departure of Mark Sweeney as Director of Regional Development and Services, the ETRDC found itself seeking new leadership. In spite of these changes the ETRDC staff was able to break company records in the area of loan approvals. While the financials show slight losses it is expected that these approvals will result in significant gains in FY 2008.

The ETRDC would like to thank both of these gentlemen for their service to this organization. It is our hope that the ETRDC staff will continue to live up to the example that these men have set and continue to help and serve the small businesses of East Texas.

Luke Kimbrough  
Director of Public Information  
and Regional Services



**EAST TEXAS REGIONAL DEVELOPMENT COMPANY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2007**

<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	703,254
Accounts receivable	3,839
Notes receivable	190,956
	<hr/>
<b>Total current assets</b>	<b>898,049</b>
<b>Equipment</b>	
Equipment	
(net of accumulated depreciation of \$1,567)	-
	<hr/>
<b>Net equipment</b>	<b>-</b>
<b>Total assets</b>	<b>898,049</b>
	<hr/> <hr/>
<b>Liabilites and Net Assets</b>	
<b>Current Liabilities</b>	
Accounts payable	1,555
Due to related organization	20,180
Escrow deposits	-
	<hr/>
<b>Total current liabilities</b>	<b>21,735</b>
<b>Long Term Liabilities</b>	-
	<hr/>
<b>Total Liabilites</b>	<b>21,735</b>
<b>Net Assets</b>	
Unrestricted	
Undesignated	876,314
Permanently restricted	-
	<hr/>
<b>Total net assets</b>	<b>876,314</b>
<b>Total liabilities and net assets</b>	<b>898,049</b>
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**EAST TEXAS REGIONAL DEVELOPMENT COMPANY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

**Revenue and Support**

Loan servicing	28,214
Loan packaging, processing and fees	33,455
Interest earned	53,233
	<hr/>

**Total Revenue and Support**

**114,902**

**Expenses**

Salaries	37,306
Employee benefits	20,833
Travel and conferences	5,855
Advertising and marketing	5,757
Professional services	13,769
Insurance 4,355	
Membership dues	1,600
Office supplies & services	1,227
Printing and publications	7,750
Postage	5,058
Administrative expenses	23,273
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**Total expenses**

**126,783**

Change in net assets (11,881)

Net assets, beginning of year 888,195

**Net assets, end of year**

**876,314**

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**EAST TEXAS REGIONAL DEVELOPMENT COMPANY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

<b>Cash flows from operating activities</b>	
Increase (decrease) in net assets	(11,881)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
(Increase) decrease in operating assets-	
Accounts receivable	796
Notes receivable	155,948
Increase (decrease) in operating liabilities-	
Accounts payable	950
Due to related organization	3,502
Escrow deposits	<u>(2,000)</u>
<b>Net cash provided by (used in) operating activities</b>	<b>159,196</b>
<b>Net increase (decrease) in cash</b>	<b>147,315</b>
Cash and cash equivalents, beginning of year	<u>555,939</u>
<b>Cash and cash equivalents, end of year</b>	<b><u><u>703,254</u></u></b>

# Business Section



The ETRDC would not exist if it were not for the small businesses of East Texas who have placed their trust in us to help build their business and make their dreams come true. We would like to thank all of our clients who have allowed us to work with them.



Product Concept Development (PCD) specializes in industrial design. PCD takes product ideas and helps turn them into reality through their trademarked "Recombinante Technologies" process. Essentially this is a way to take multiple technologies and recombine them to make a product work.

PCD has worked with some major corporations and has even done some defense work. While Rainone cannot go into a lot of detail regarding some of his major clients, they have worked with some Fortune 500 companies. PCD does not specialize by focusing on one industry or group of clients.

"We like to work in different industries. It keeps us fresh and on our toes. Engineers, especially, tend to get compartmentalized and don't think real creatively. Here, we value creativity."

Not only is PCD interested in making money, but they are also concerned about the local community. "We see what the community is like around here and we would like to see it improve, because we like it here and we want to see this region prosper. One of our dreams is to spin off businesses." As PCD continues to develop products, those products can be the foundation of a new business that could locate in East Texas.

"When we began looking for land, we started northwest of Ft. Worth and it was either too urban or too expensive. We started looking out east and received a very generous offer from the Palestine Economic Development Corporation and the East Texas Regional Development Company. They put together half a million dollars of seed money to get us here and the ETRDC helped secure money for our lab building."

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The City of Canton now has even more reasons to be proud. With the help of the ETRDC, three new businesses have been opened in Canton over the past four years which currently has created over sixty new jobs within the City in addition to increasing the tax base for the community.

The newest addition to the community is Splash Kingdom Waterpark located along I-20. The city is centrally located for the targeted East Texas market, and Canton's willingness to work with new businesses made it an ideal location for Splash Kingdom.

Johnny and Marci Blevins opened the water park officially in 2006 and closed the loan with the ETRDC in March of 2007. The facility has attracted over 80,000 visitors during its first official year of operations.



The waterpark and its slide, wave pool and lazy rivers is open from Memorial Day through Labor Day. Year round entertainment is provided with an indoor mini-golf course, arcade and birthday party room.

Source for article and photo: Journal Communications



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