

**Resolution # 2-1004**  
**RESOLUTION TO APPROVE A SMALL BUSINESS LOAN**  
**FROM THE**  
**IOWA COUNTY REVOLVING LOAN FUND**  
**(Application No. 36-10/04)**

WHEREAS, The applicant is **Linden Cheese Company, Inc.**, David Schroeder, President, located at 300 Jackson Street, Linden, Wisconsin. The company is requesting a small business loan and to restructure it's current small business loan into one loan. The loan is to be used for working capital as part of maintaining the business expansion into the specialty line of Blue Cheese wheels, and

WHEREAS, the Iowa County Committee on Finance, Bonds, Insurance, and Tax Claims, acting as the Iowa County Loan Review Committee, has received a request from the small business concern for **\$100,000 from the Iowa County RLF**, which includes \$35,682.21 in new funds and \$64,317.79 in restructuring the current loan balance. The funds from the Iowa County RLF will be used for working capital including payroll, other day-to day business obligations, including raw material inventory purchase, and

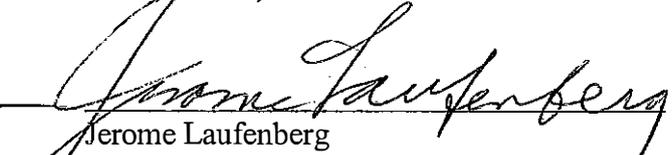
WHEREAS, the Committee finds that the project is consistent with the conditions set forth in the Iowa County Loan Administration Manual; and

WHEREAS, the benefits to be derived and the terms agreed upon as set forth in the attached Project Summary are satisfactory.

NOW THEREFORE, BE IT RESOLVED, the Loan Review Committee recommends that the full County Board approve the proposed project.

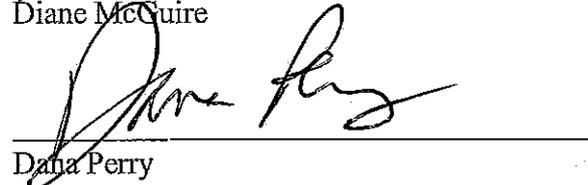
**Respectfully submit ed by the Commit ee on Finance, Bonds, Insurance and Tax Claims**

  
Stephen Foye, Chairman

  
Jerome Laufenberg

  
Diane McGuire

  
Mark Masters

  
Dana Perry

**PROPOSED IOWA COUNTY  
REVOLVING LOAN FUND PROJECT**

(Application No. 36-10/04)

**Project Description**

The applicant is **Linden Cheese Co., Inc.**, David Schroeder, President, and located at 300 Jackson Street, Linden, WI. Linden Cheese has a current RLF loan from Iowa County and is asking to add \$35,682.21 to the current loan balance of 64,317.79 for a RLF loan in the amount of \$100,000. In 2003 the company had undertaken an expansion of its facility to increase production, and are now manufacturing a new specialized product, Blue Cheese wheels. The original project included the purchase of machinery and equipment with a SBA loan of \$200,000 (December 2002), adding capacity to the plant, and four jobs had been created. The owners continue in the process of redefining and growing an existing viable business and have created a total of eight jobs, which is four more than anticipated in July of 2003. Currently the business is doing very well and have grown to a weekly production of 35,000 pounds but are in need of additional funds for cash flow purposes to continue maintaining and growing the business. The overhead cost are higher than anticipated since the original loan was completed in July 2003 due to unusually high market prices for the raw product. The company also produces organic blue cheese one day a week from organic raw product. The project continues to help support 26 farm families in the Iowa County area, from which raw product is obtained.

The business owners have secured financing for the expansion, but now require working capital to cover payroll and raw material purchases.

The company has requested a loan of \$100,000, which includes \$64,317.79 from the existing RLF loan and \$35,682.21 in additional funds. The additional funds are necessary for cash flow purposes and to maintain the jobs that have been created. The request is therefore, **\$100,000 with a term of ten (10) years.**

**Use of Funds:**

Working Capital	\$35,682.21
Total Projects Costs	\$ 35,682.21

**Source of Funds:**

Iowa County RLF	\$35,682.21
Total Project Costs	\$ 35,682.21

**Job Impact:**

The project will maintain the additional four- (4) new jobs that were hired since the original July 2003 projections. The average starting wage for employees is expected to be \$8.00 per hour, with an increase in wages after a probation period.

**Collateral and Financial Condition:**

Security for the Iowa County loan will be a first mortgage on real estate and buildings owned by Linden Cheese Co., Inc. Financial statements and tax returns were submitted for financial analysis.

The company requires the injection of additional working capital at this time to remain viable, as the company is currently operating with a negative cash flow.

**Loan Review Committee Recommendation:**

The Committee on Finance, Bonds, Insurance and Tax Claims, serving as the county loan review committee, recommends approval of a loan for **\$100,000 for a term of ten (10) years.** The **annual rate of interest will be 5.0 percent**, fixed for the term of the loan. Principal and interest payments will be made **monthly** at **\$1,060.66 per month**. There will be no prepayment penalty for making extra principal payments, and paying off the loan early. The project was reviewed at a committee meeting held on Thursday October 7, 2004.