



Celebrating 44 Years

LEADING THE CHARGE

To Help Connecticut Businesses,
Non-Profits and Communities Thrive



ANNUAL REPORT
December 2019

GROWTH AND PROGRESS

44
years and
counting


To Our Friends and Supporters,



Forty-four years ago HEDCO was founded with one simple objective, to spark economic growth within the Hartford Metropolitan Area through the continuous support and investment in small local businesses. Beginning with our first loan of only \$2,500, we have transformed into a top microlender in the state of Connecticut. Through the years we have nurtured strong partnerships with our funders and clients, and implemented impactful programs that are making a meaningful difference. We are proud of how we are leading the charge and remain steadfast in our belief that economic growth transforms communities.

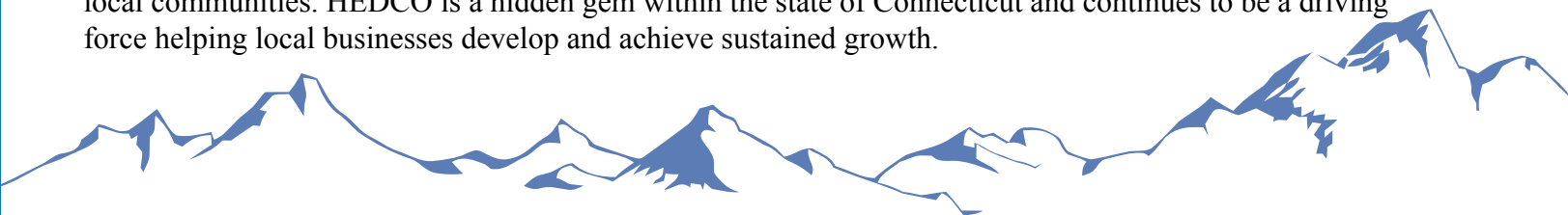
In this year's annual report we are celebrating the rich history of our organization and featuring one of our longest running funding programs. Our Merchant Revolving Loan Fund (MRLF) program has been in existence for thirty-six years and has enabled us to help hundreds of small businesses and non-profit organizations throughout the Hartford area. We will share the success stories and lessons learned of specific clients that leveraged our MRLF program to build sustainable business models that continue to grow and flourish. We are extremely proud of their success and their commitment to enhancing their local communities

Our sustainability comes from a special combination of commitment and connectedness. Thank you for your partnership—we couldn't do this work without you.


Barbara J. Randolph
Chairwoman of the Board

LEADING THROUGH CHANGE

For the past forty-four years HEDCO has been a leader in providing micro-funding to new and existing CT businesses. HEDCO's success is credited to their outstanding leadership whose direction, dedication and commitment has helped business owners realize their dreams, create financial freedom and give back to their local communities. HEDCO is a hidden gem within the state of Connecticut and continues to be a driving force helping local businesses develop and achieve sustained growth.



Warren E. Leuteritz



President & Chief Executive Officer

1975 THRU 1995

- First Executive Director of the Hartford Economic Development Corp. (HEDCO).
- Spearheaded the change in mission to focus on business development and consulting services for small and minority owned companies.
- Introduced the Merchant Revolving Loan Fund (MRLF) to assist small business start-ups.

Samuel C. Hamilton



President & Chief Executive Officer

1995 THRU 2015

- Broadened relationship with the City of Hartford Development Commission.
- Created several partnerships with the State of Connecticut Department of Economic and Community Development (DECD), the most significant being the Minority Business Revolving Loan Fund (MBRLF), a \$25M investment over a 5-year period.

Fernando G. Rosa



President & Chief Executive Officer

2015 THRU CURRENT

- Finalized the MBRLF administered through DECD.
- Launched Small Business Administration (SBA) PRIME Grants to help Emerging Micro-Entrepreneurs.
- Launched Small Business Administration Microloan Program

Kim B. Hawkins



Vice President & Chief Operating Officer

2015 THRU CURRENT

- Established relationship between The Travelers Company and HEDCO for a \$20M surety bond for minority contractors, guaranteed by \$3M in state funding
- Oversaw the implementation of the Business Resource Center.

OUR VISION



Connecticut's towns and cities are anchored by thriving and sustainable small businesses and nonprofits that meet local needs and employ local residents.



BOARD OF DIRECTORS

Executive Committee

Barbara J. Randolph
Chairwoman

Paul Perakos
Assistant Secretary

Wayne Benjamin
Assistant Treasurer

Eric C. Bauer
Vice Chairman

Marianne Stowell
Treasurer

Julio Mendoza
Nomination Committee Chairman

Edward J. Samorajczyk
Secretary

Board Members

Michael Casparino
Don Chapman
Michele M. Frey
Jeff Hubbard

Sheila S. Hummel
Andreas Kapetanopolus
Alan Lazowski
Fernando G. Rosa

Nicholas Seminara
George Swepson
Pauline Yoder

**IMPACT
OVER
THE
YEARS**

 Jobs
Impacted
5770

53
Programs
Offered

Communities Touched
78


 Loans
Approved
1053

 Amount Loaned
\$57,084,098

20 Funding
Partnerships
Developed

FINANCIAL HIGHLIGHTS

2019 Loan Summary

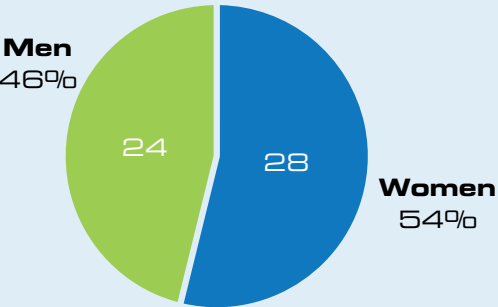
Number of Loans

54

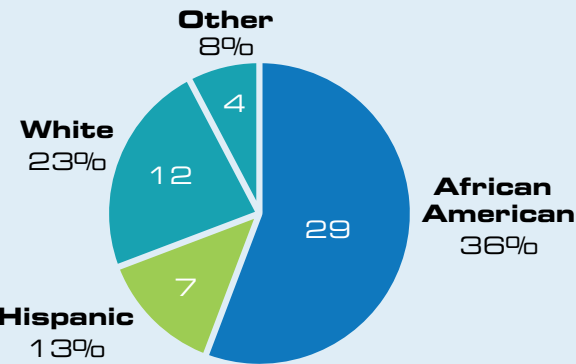
Amount Loaned

\$2,582,000

By Gender

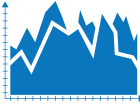


By Race



By Town

Bloomfield	5	Hartford	19
Bridgeport	3	Manchester	1
Burlington	1	New Haven	7
Camton	1	Putnam	1
Derby	1	Suffield	1
East Hampton	1	West Hartford	3
East Haven	1	West Haven	3
East Windsor	1	Windsor	2
Farmington	1		



Financial Summary

ASSETS

	2019	2018
Cash	10,280,031	7,588,652
Investments, at fair value	592,579	584,501
Loans receivable, net of allowance	23,924,543	23,608,443
Accounts and grants receivable	727,686	2,796,288
Furniture and equipment, net of accumulated depreciation	34,193	33,064
Prepaid expenses and other assets	170,600	195,600
Other real estate owned	80,000	80,000

Total Assets	\$35,809,632	\$34,886,548
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LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued liabilities	224,492	254,112
Loans payable	15,298,296	15,946,307
Total liabilities	15,522,788	16,200,419

Net Assets

Without donor restrictions	13,906,582	11,963,619
With donor restrictions	6,380,262	6,722,510
Total Net Assets	\$20,286,844	\$18,686,129

Total Liabilities and Net Assets	\$35,809,632	\$34,886,548
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COMMUNITY IMPACT

36 YEARS FUNDING BETTER FUTURES WITH MRLF

We are excited to celebrate one of our longest running programs. Our Merchant Revolving Loan Fund (MRLF) program has been in existence since 1983 and is funded by CDBG (Community Development Block Grant) Funds through the City of Hartford.

This program has enabled HEDCO to help hundreds of small businesses and non-profit organizations throughout four specific corridors within the City. MRLF is designed to ensure new and existing business owners have access to the capital they need to promote economic growth, ultimately driving job creation and retention.

LOCAL MERCHANT ASSOCIATION PARTNERSHIPS



HEZBA
Hartford
Enterprise
Zone Business
Association

Comprised of businesses located in the Main Street, Barbour Street and Windsor Street areas known as the "Enterprise Zone". Since 1988, HEZBA has worked to support merchants in this zone by encouraging dialogue and cooperation between business, state and city government, and community leadership to spark positive change.

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SAMA
Spanish
American
Merchants
Association

Comprised of more than 500 local Hispanic business owners and organizations, SAMA has served as a vehicle for economic growth in Hartford since 1992. It was founded to develop a strong and cohesive business network whose advocacy ensures that issues and concerns facing Hispanic business owners remain at the forefront of the Hartford economic agenda.

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FAMA
Franklin
Avenue
Merchants
Association

FAMA was founded in 1985 and is comprised of businesses on Franklin, Maple and Wethersfield Ave. FAMA partners with local businesses to support their goals and promote economic growth. FAMA accomplishes these goals through community activism and encouraging local residents to put money back into their neighborhood.

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UAMA
Upper Albany
Merchants
Association

Incorporated in 1983, UAMA's primary goal is to build a strong and responsive association comprised of small business owners and organizations in the Albany Avenue commercial district. UAMA accomplishes this goal by developing a communication network, providing technical assistance, organizing promotional activities, and increasing resident utilization of the commercial strip.

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MRLF has had numerous success stories. We are honored to highlight one client from each of the four corridors within the city of Hartford. Each has a compelling story of growth and perseverance. With the support of the local merchant associations, HEDCO helped to ensure they had the right level of education, funding and capacity to thrive.

SEVERANCE FOODS

Hartford Enterprise Zone Business Association (HEZBA)



SEVERANCE FOODS OPERATING IN HARTFORD CT FOR THE PAST 35 YEARS.

In April 1984 Richard Stevens, John Grikis and Rich Dana found themselves unemployed. Their employment comeback story has been nothing short of spectacular.

After working for years at Heublein, Inc., the company announced they were moving their operations to California. With their working knowledge of the Ortega Taco account and their severance packages in hand the three food scientists began looking for funding sources to start their own Tortilla company, Severance Foods, Inc.

After months of having their loan requests declined by traditional lenders, in August of 1984, they had their first meeting with HEDCO's then Executive Director, Warren Leuteritz and Business Consultant, Ralph Jackson. Realizing how funding Severance Foods could help stimulate economic growth by providing local employment for those who may not be employable by larger companies, they approved a \$75,000 loan through the Merchant Revolving Loan program.

This \$75,000 was just the beginning of a great success story. Rick Stevens, Vice President of Business Development and Account Management at Severance Foods is convinced that HEDCO's funding and commitment to their vision helped jump start their business. HEDCO also took on the role of a trusted business advisor, helping them navigate the city, zoning regulations and even the local utility companies. This relationship helped ensure a smooth transition into business ownership. Rick admits that in the early days they were worried because business started out slow, but there worries were doused once they secured their first big account with Weight Watcher's.

Last month Severance Foods, Inc. celebrated 35 years in business. Today they employ 65 people with annual revenues surpassing \$18M dollars. They remain local to Hartford, CT. Producing tasty, health sensitive chips for private labels that include; Trader Joe's, Aldi's, Way Better Snack's, Green Mountain Gringo and military installations for our veterans.

Severance foods recognizes HEDCO 's role in their success as a cheerleader, great business partner and a cherished relationship that has sustained over the years. HEZBA continues to be a valued partner, working with HEDCO to ensure the success of other local businesses in the area.



MI SABOR RESTAURANT

Spanish American Merchants Association (SAMA)

MI SABOR TWO YEARS IN BUSINESS AND GOING STRONG

In 2017 Victorino A Rodriguez decided to bring a taste of Dominican cuisine to Hartford, CT. Not knowing anything about starting up and running a business he turned to the Spanish American Merchant Association (SAMA) for training assistance and funding through the Merchant Revolving Loan Fund (MRLF) at HEDCO.

The two organizations were instrumental in helping the owner, Victorino, open the doors to Mi Sabor, a family style restaurant that serves authentic Dominican food. By partnering with HEDCO he received funding and training in business management, marketing and financials through their Business Resource Center. Through SAMA's partnership with the Empresario Development Center (EDC), Victorino also received additional educational training that allowed him to learn from experts and other small business owners with sessions available in English and his own native language, Spanish.

Victorino is excited that Mi Sabor recently celebrated two years in business. He looks back and reflects on his experience and success over the last couple years. "With funding through the MRLF, I was able to make my dream of owning and operating my own business come true. My restaurant resides on a Park Street, in a location that was empty for many years. But business is stable and doing well. My family and two employees work at the restaurant and I look forward to being in business for many years to come."

Mi Sabor is just one example of how HEDCO and SAMA are creating economic and community growth through funding and training.



"With funding through the MRLF, I was able to make my dream of owning and operating my own business come true"

- Victorino A. Rodriguez
Owner Mi Sabor

MAPLE LAUNDROMAT & CLEANERS

Franklin Avenue Merchants Association (FAMA)

SCOTT'S BAKERY

Upper Albany Merchants Association (UAMA)

"We owe our success and our ability to grow our business to our partnership with HEDCO and Fernando Rosa"

- Joanna Zapulla
Owner's Daughter



Pictured:
Ramiza Nujcinovic
18 year employee

MAPLE LAUNDROMAT AND CLEANERS A MULTI-GENERATIONAL BUSINESS

Maple Laundromat and Dry Cleaners is owned and operated by the husband and wife team, Guiseppe and Rosa Zapulla. They credit their business expansion and success to their partnership with HEDCO and Fernando Rosa. The first business they owned was a dress factory. In 1990 they decided to convert the dress factory into a laundromat and dry cleaner. The conversion was a big effort that required funding for contractors, construction and equipment. They applied for and received funding through HEDCO's MRLF. Opening the Laundromat was the first step of the Zapulla's business expansion.

Over the years they expanded the family business to include Big Z's Cleaners of Berlin, CT., Twin City Dry Cleaners of Old Saybrook, CT and Squeaky Cleaners and Laundromat of East Hartford, CT.

Their expansion efforts were not easy. According to their daughter, Joanna, "They couldn't have made it without funding from HEDCO and guidance from their Executive Director, Fernando Rosa. We consider Fernando family. He has been with us every step of the way." She went on to explain that with the help of HEDCO they became multi-generational business owners.

The family has gone through a lot of expansion, but the Maple Avenue location remains their flagship store, providing a full service laundromat that does alterations, custom dressmaking, custom sewing, hemming, patching, resizing, restyling and zipper repair.

"We owe our success and our ability to grow our business to our partnership with HEDCO and Fernando Rosa."

Today, HEDCO and FAMA continue working together to support community initiatives that help create business growth.



SCOTT'S JAMAICAN BAKERY IS AN ICONIC RESTAURANT IN HARTFORD, CT

George and Pauline Scott founded the business in 1978. Last year they celebrated 40 years in business.

The initial family business started out at 1287 Albany Avenue and then moved into the current location at 1344 Albany Avenue. Over the years Scotts' opened other Hartford retail locations at 3381 Main Street and 630 Blue Hills Avenue. Last year the Hartford Courant reported that Scott's Bakery had grown from mom-and-pop operation into a business with 50 employees and \$3 million in annual sales.

In speaking with George and Pauline's youngest son, Michael, he acknowledges that business is doing extremely well. He also credits HEDCO and Samuel Hamilton with providing the funding for business expansion. He believes guidance provided by HEDCO and HEZBA was instrumental in creating and building a successful business model.

George and Pauline are officially retired, now leaving the business to their four children to run. For them, it's business as usual honoring their parents and making sure their patrons and provided with quality food.

HEDCO continues working with UAMA to provide professional development and education to owners as their businesses expand and their needs evolve.



"HEDCO and Samuel Hamilton provided the funding for business expansion."

- Michael Scott
Owner's Son



WORKING TOGETHER

OUR TEAM

(Pictured Below)

Executive Team	Team Members	
Fernando G. Rosa President & Chief Executive Officer	Daisy Butler Administrative Specialist, Business Resource Center	Jimmy McMikle Business Development Officer
Kim B. Hawkins Vice President & Chief Operating Officer	Thuvan Dinh Loan Administration Specialist	Morgan Randolph Business Development Officer
Patricia R. Geronimo Chief Financial Officer	Enrico Mendes Senior Business Development Officer	John E. Robinson Business Development Officer
	Linda Pines Executive Assistant	



OUR FUNDING PARTNERS

Bank of America	Farmington Bank Foundation	SBA Prime
Berkshire Bank	Hartford Foundation for Public Giving	TD Bank
Citizens Bank	Key Bank	The Travelers
City of Hartford	Laz Parking	Small Business Administration
City of New Haven	Peoples United Bank	Microloan Program
Connecticut Department of Economic and Community Development (DECD)	Prudential Foundation	Webster Bank
	Savings Bank of Danbury	

OUR PATH FORWARD

HEDCO continues to embrace its role of building a strong and vibrant Connecticut by helping entrepreneurs launch and grow their business through coaching, consulting, education and training services. To eliminate redundancies in programs offered through other partner organizations, HEDCO will continue to provide services not currently available.

In order to meet our stated goals and objectives, HEDCO will:

- Establish a regular practice of reviewing the current landscape to ensure our services are relevant, complimentary to partner organizations and meet the demands of business owners and emerging industries.
- Add new programs and services that meet the demands of our business clientele. One new initiative is our “Smart-Start” program, which provides owners with the technical support required to launch a new business. This hands-on training program will assist participants with the steps needed to transform their informal business plan into a formal business plan and a legally registered business.
- Forge new relationships with higher institutions to develop/create an entrepreneurial platform for online training through the establishment of HEDCO University.

Over the past forty-four years we have built a robust network of business partners who, together with our expertise, allow us to meet entrepreneurs where they are, and provide targeted advice that gets results and helps to create business growth and sustainability. Our outlook is bright. It is with deliberate optimism that we pave our path forward.



"WE RISE BY LIFTING OTHERS"

- Robert Ingersoll



Consultation and Text: Juene' Consulting
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HEDCO, Inc.

15 Lewis St, Suite 204
Hartford, CT 06103
P: (860) 527-1301
www.hedcoinc.com

Business Resource Center

15 Lewis St, Suite 204
Hartford, CT 06103
P: (860) 527-1301
www.hedcoinc.com