



SOUTHEASTERN CONNECTICUT
ENTERPRISE REGION



ONE UNITED REGION

The Southeastern CT Enterprise Region (seCTer) is the designated private, non-profit Economic Development Organization providing a broad range of services and resources to stimulate and support economic development and diversification within the region. seCTer primarily serves the businesses, residents and municipalities of New London County and the Town of Windham. Some services are statewide.

VISION:

MISSION:

VALUES:



seCTer is the lead regional economic development resource,
stimulating growth and prosperity in Southeastern Connecticut.

Making Southeastern Connecticut stronger and more vibrant by 2030!

seCTer believes:

- In supporting and making our clients and communities successful.
- Our board and staff are reflective of the clients we serve.
- In valuing our employees and rewarding integrity, teamwork, innovation, and excellence.
- In collaborating with, and being responsive to, clients and partners.
- In being accountable fiscally and professionally to all stakeholders.
- In advocating for our clients, our services, and our community.
- In diversity and inclusiveness.

*A LETTER FROM
THE CHAIRMAN
AND EXECUTIVE
DIRECTOR*

It's been an exciting, transformative year at seCTer, and we thank our many partners for supporting the organization as we continue our commitment to reinvention and reinvigoration. The call to action began last year, as interim Executive Director, Sean Nugent, described a new vision for the region – that of hope and optimism grounded in innovation and partnership. It has continued this year as we accepted the challenge to make seCTer the lynchpin towards achieving that new vision.

We are definitely turning the curve. You will see in the pages of this report a tripling of our loan program and a highly successful PTAC year. A revision of our Bylaws changed our membership structure and also created a new Finance Committee, which has guided the organization towards its first surplus since 2010. This year, we are adding a Marketing Committee to truly launch our media efforts. We have reorganized to make the organization more nimble, and the culture more responsive to opportunity. We have become more results-driven and value-oriented. We have added the capacity to support grant applications, and to supply rich data to help developers assess sites, employers assess the employment market, and municipalities assess demographics and business potential. All that has come thanks to an extremely hard working and dedicated staff, a deeply committed Board of Directors, trusted partners, and a whole host of community leaders who have believed in our ability to be a value-added organization that is worth investing in.

We are pushing ourselves even harder in the year ahead. seCTer recently completed our first ever Strategic Plan, which includes very specific goals and actions that will be measured, and reported, quarterly. The Strategic Plan is centered on seven key pillars that include internal and external measures of success – in essence, it is our “walk the talk” document. In addition, we have a newly-approved Comprehensive Economic Development Strategy (CEDS) that guides the region's economic development activities for the next five years. seCTer plays a central role in facilitating the plan's activities, dashboarding and reporting progress, and actively participating in and leading key initiatives under the plan, including the Thames River innovation Partners, Cultural Coalition AEP-5 study, Tourism Coalition, Thames River Heritage Park, EWIB Manufacturing and Healthcare pipelines, and many others. These plans are now the roadmaps by which seCTer becomes the region's trusted and recognized economic development organization. Stay tuned!

Chuck Seeman



Chairman of the Board

Nancy Cowser



Executive Director

AGROSCI (LOAN & RELATIONSHIP-BUILDING CLIENT)

AgroSci manufactures and installs exterior and interior living walls. Their products include Aerogation™ Green Walls that purify air naturally. AgroSci is also pioneering an Urban Gardening concept using existing Green Wall technology. Some of their customers are the 1 Hotel chain, including 1 Hotel Central Park and 1 Hotel South Beach, J. Crew, Disneyland Imagineering Studios, Marriott, Moffitt McKinley Cancer Outpatient Center and Delos WELL Living Lab. AgroSci has also received funding through seCTer's Direct Loan Programs and is a Lending Partner in the Small Business Express Program. We recently introduced them to another Lending Partner, Farm Credit East, and they are working together on an Urban Garden at the expanded AgroSci facility in Colchester.

TOURISM HACKATHON (BELOW)

seCTer is a relationship builder. We create the connections you need to succeed.

BUILDING RELATIONSHIPS

Comprehensive Economic Development Strategy (CEDS)

– in 2017, seCTer developed a highly detailed, innovative framework for regional economic development, convening dozens of focus groups and involving hundreds of stakeholders in the process. The final product guides the region's path towards sustained economic prosperity for the next five years. Implementation crosses multiple sectors of the regional economy, involves established community organizations and groups, and encourages the coordination and establishment of new initiatives. Look for updates and the opportunity to get involved! The 2017 CEDS and future updates can be found on seCTer's website: www.secter.org

Targeted towards small to mid-sized manufacturing, fabricating, biotech, agro-tech or similar businesses, seCTer manages several revolving loan funds that provide capital for a business to expand, upgrade machinery and equipment or to relocate to southeastern CT. We also have resource partners who can help with business plans, marketing strategies and technical assistance. We partner with several state and federal agencies, regional banking partners and other non-traditional lenders to deliver a variety of commercial loan products including:

- Commercial Term Loans for fixed asset acquisitions

- Small Business Administration (SBA) 504 Loans (Commercial Mortgages)
- Short Term Loans for inventory and working capital
- Connecticut Department of Economic and Community Development (DECD) loan partner programs including the Small Business Express Program
- Other Loan Programs as made available

In an effort to offer a variety of business financing options at reasonable rates, terms and conditions, we continually look for additional loan partners.

In 2017, seCTer loaned out \$2M more than in 2016, one of our best years ever.

SECURING FUNDING



COMPONENTS FOR MANUFACTURING (LOAN CLIENT)

Components for Manufacturing is a stocking distributor of both standard and special fasteners, and electronic hardware. Tracey and Paul Jacey, residents of Noank, CT, purchased this long-standing New Hampshire business in 2016 and relocated its headquarters to Groton. The company is a Woman Owned Small Business. Financing for the acquisition and expansion of the business was provided by seCTer through seCTer Direct Loan Programs and as a Lending Partner in the Small Business Express Program.

PROCURING GOVERNMENT CONTRACTS

ORION MANUFACTURING (LOAN CLIENT)

Orion Manufacturing is a modern architectural woodworking company specializing in the production of custom millwork and furnishings. Located in Groton, CT, the company is owned and managed by a father and his two sons. Clients include: Yale University, Ocean House, Westerly Public Library, U.R.I. , Mohegan Sun, Foxwoods and Dunkin Donuts Stadium. Financing for business expansion and working capital was provided by SeCTer as a Lending Partner in the Small Business Express Program.

For businesses considering selling their goods or services to the federal, state or local government, the Procurement Technical Assistance Center (PTAC) is a free service that will take you through the complicated puzzle that is government contracting.

In 2017, this statewide service connected 600 businesses with \$130 million in government contracts. Services include:

- One-on-one business counseling
- Identifying bid (Bid-Match) opportunities
- Registration assistance for requirements to do business with various federal, state and local agencies
- Bid and Proposal preparation assistance
- Post-award assistance, including contract performance issues
- Electronic business (eBusiness) Information
- Identifying subcontracting opportunities
- Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) assistance
- Education about laws and regulations, such as the Federal Acquisition Regulations (FAR)
- Training, including compliance with National Institute of Standards and Technology (NIST) 800-171 standards and guidelines
- Networking events

PTAC is funded by the CT Department of Economic and Community Development and the federal Defense Logistics Agency.

There are a number of incentive programs to attract new businesses to our state and our region, and to help existing businesses expand. But it is a complex web – location, business type, business size, job creation - all or some of those factors impact the availability of incentive programs. seCTer can connect you to the right person at the right agency, and make sure you have the right information to make your case.

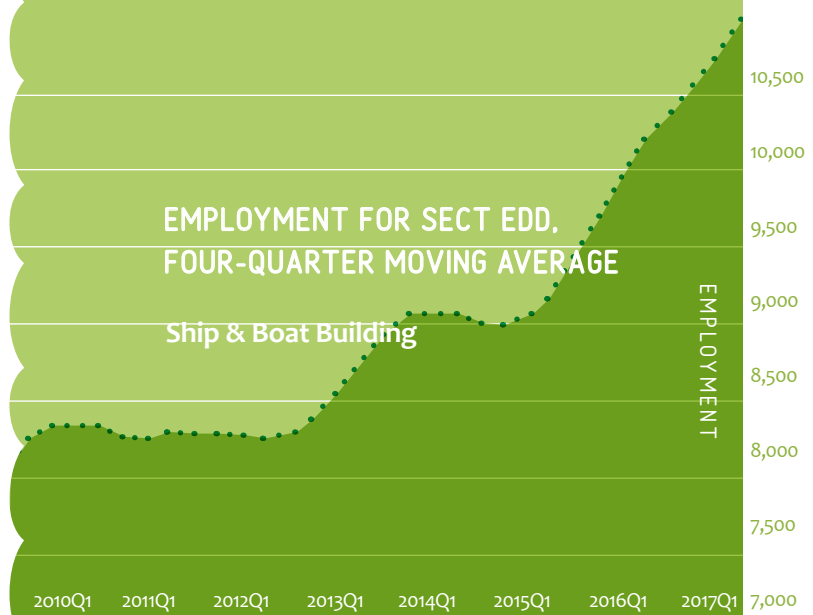
CAPITALIZING ON INCENTIVES

COLLINS & JEWELL (LOAN CLIENT)

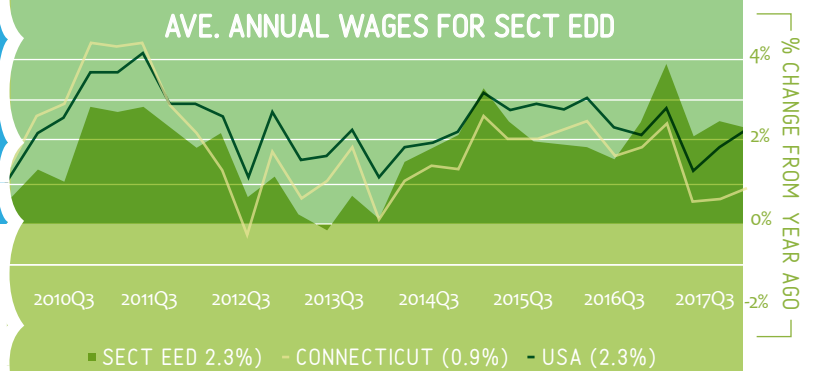
Founded in 1946, Collins & Jewell Co., Inc has grown into an international supplier of complete turnkey installation and relocation services for both small and large production and process equipment systems. Collins & Jewell provides the manufacturing and processing industries with the latest mechanical services. They pride themselves on employee integrity, honesty, and ingenuity, and their commitment to delivering the highest quality, the latest technology, and unmatched flexibility. Through seCTer Direct Loan Programs, funding was provided to support their expansion.

EMPLOYMENT FOR SECT EDD, FOUR-QUARTER MOVING AVERAGE

Ship & Boat Building



AVE. ANNUAL WAGES FOR SECT EDD



PROVIDING DATA

seCTer offers a range of data services, including graphing, mapping, reporting and comparisons. Data includes:

- Demographics
- Industry details
- Market potential
- Workforce characteristics

We can support your grant proposals, business plans, municipal marketing and other data needs.

In order to support business retention, expansion and attraction, seCTer connects developers and businesses with available sites in our region. We also provide and analyze data regarding the site being considered, including demographic, traffic, business potential and employment information. seCTer also develops the partnerships with applicable municipal, state and lending resources needed to further support decision making. For our municipal partners, seCTer lists their available sites for free on CERC SiteFinder®, Connecticut's most comprehensive online database of available commercial properties.

SITE FINDING

BEER'D BREWING (LOAN & SITE FINDING CLIENT)

Beer'd Brewing is a microbrewery and brew house that specializes in truly creative brews. Their small production size allows for experimentation and exceptionally high quality. They are an award-winning member of the close knit and thriving microbrewery community and a 2017 winner of a Celebrate CT award. seCTer has provided funding as a Lending Partner in the Small Business Express Program to expand their operational capacity at their location in The Velvet Mill in Stonington, CT and more recently as a Lending Partner in the Small Business Express Program, through seCTer Direct Loan Programs and in participation with one of our Banking Partners, Eastern Savings Bank, in the funding for expansion to a new facility in Groton, CT.

A man wearing a dark baseball cap with 'VIETNAM WAR DIRECT VETERAN' embroidered on it is working on a wood mill. He is looking down at his work. The background is a workshop setting. The image has a purple and blue color scheme with geometric shapes overlaid.

DANTE LLC (LOAN & PTAC CLIENT)

Dante LLC is a Service Disabled, Vietnam Veteran owned and operated full-service millwork, wood product and engraving manufacturer that focuses on hiring and training veterans. Financing for expansion of the manufacturing process, increased employment and training, and real estate improvements, has been provided by seCTer through our Direct Loan Programs and as a Lending Partner in the Small Business Express Program. Dante, LLC is also a Procurement Technical Assistance Center (PTAC) client. Most recently, through PTAC and the Small Business Administration, seCTer created a Mentor/Protege relationship for Dante LLC with another business.

*PUTTING
IT ALL
TOGETHER:
SECTER
IS YOUR ONE
RESOURCE*

SOUTHEASTERN CONNECTICUT ENTERPRISE REGION CORPORATION STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2017

(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 25,814	\$ (68,899)
Adjustments to reconcile the change in net assets to net cash (used in) provided by operating activities:		
Loss on investments	-	40,785
Depreciation and Amortization	3,549	3,716
Bad debt expense	-	24,500
Changes in operating assets and Liabilities:		
Grants receivable	3,263	12,842
Accounts receivable	(9,684)	(28,468)
Prepaid Expenses	1,165	(3,583)
Loans Receivable	(535,272)	72,160
Accounts payable	(951)	(20,752)
Accrued expenses	(13,448)	11,254
Due to CT. small businesses lending partner program	(24,682)	(10,504)
Due to CT. small business express program	21,607	2,141
Due to funding source	(199,530)	860,500
Deferred grant revenue	4,398	(7,655)
Net cash (used in) provided by operating activities	(723,771)	834,037
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	27,503	819,539
Cash outlay for property and equipment	(14,126)	-
Decrease (increase) in restricted cash and investments	746,966	(945,293)
Purchase of investments	-	(792,114)
Net cash provided by (used in) investing activities	760,343	(917,868)
NET INCREASE (DECREASE) IN CASH	36,572	(83,831)
CASH, beginning of year	6,610	90,441
CASH, end of year	\$ 43,182	\$ 6,610

SOUTHEASTERN CONNECTICUT ENTERPRISE REGION CORPORATION STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2017

(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016)

	2017 UNRESTRICTED	2017 TEMPORARILY RESTRICTED	2017 TOTAL	2016 TOTAL
SUPPORT AND REVENUE				
Grant revenue	\$ 678,497	\$ —	\$ 678,497	\$ 729,421
Contributions	98,309	—	98,309	157,459
Interest income	171,978	71,656	243,634	209,113
Program fees	98,321	2,544	100,865	21,533
Investment income	9,090	—	9,090	33,133
Unrealized (loss) gain on investments	—	—	—	(40,785)
Loan write-offs and allowances	—	—	—	(24,500)
Loan recoveries	—	—	—	575
Net assets released from restrictions:				
Total support and revenue	86,408	(86,408)	—	—
	1,142,603	(12,208)	1,130,395	1,085,949
EXPENSES				
Program services				
Regional revolving loan fund	31,827	—	31,827	41,675
Small business loan fund	31,610	—	31,610	39,411
Southeast regional development fund	82,963	—	82,963	68,400
CT small business lending partner program	1,838	—	1,838	5,855
CT small business express fund	8,035	—	8,035	22,817
Comprehensive economic dev. strategy	95,118	—	95,118	73,479
Procurement technical assistance center	608,685	—	608,685	646,966
Total program services	860,076	—	860,076	898,603
Supporting services				
Management and general	244,505	—	244,505	256,245
Total expenses	1,104,581	—	1,104,581	1,154,848
Change in net assets	38,022	(12,208)	25,814	(68,899)
NET ASSETS, beginning of year	353,079	6,156,899	6,509,978	6,578,877
NET ASSETS, end of year	\$ 391,101	\$ 6,144,691	\$ 6,535,792	\$ 6,509,978

SOUTHEASTERN CONNECTICUT ENTERPRISE REGION CORPORATION STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED JUNE 30, 2017

(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016)

	2017	2016
ASSETS		
Cash	\$ 43,182	\$ 6,610
Investments	319,185	346,688
Grants receivable	26,066	29,329
Accounts receivable	130,470	120,786
Prepaid expenses	16,394	17,559
Restricted cash and investments	1,892,002	2,638,968
Loans receivable, less allowance for doubtful loans, net	4,859,659	4,324,387
Property and equipment, net	16,707	6,130
Total assets	<u>\$ 7,303,665</u>	<u>\$ 7,490,457</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 6,575	\$ 7,526
Accrued expenses	46,837	60,285
Due to CT – small business express lending partner program	11,400	36,082
Due to CT – small business express program	45,889	24,282
Due to funding source – small business express program	606,970	806,500
Deferred grant revenue	50,202	45,804
Total liabilities	<u>767,873</u>	<u>980,479</u>
NET ASSETS		
Unrestricted	319,101	353,079
Temporarily restricted	6,144,691	6,156,899
Total net assets	<u>6,535,792</u>	<u>6,509,978</u>
Total liabilities and net assets	<u>\$ 7,303,665</u>	<u>\$ 7,490,457</u>

2017 BOARD OF DIRECTORS

NAME	POSITION	ORGANIZATION
Charles Seeman	Chairman	UCFS (retired), Norwich
Michael Carey	1st Vice Chair	Suisman Shapiro, New London
Richard Erickson	2nd Vice Chair	Planning Consultant, Norwich
Ed Dombroskas	Secretary	Tourism District of Eastern CT, Mystic
James Butler	Treasurer	SCCOG, Norwich
Jerry Lamb*	Immediate Past Chair	Research Consultant, Salem
Susan Adams	Director	General Dynamics/Electric Boat, Groton
John Beauregard	Director	Eastern CT Workforce Investment Board, Franklin
Robert Congdon	Director	First Selectman, Town of Preston
Paul Formica	Director	Ex-officio, State Senator
Gary Goeschel	Director	Director of Planning, Town of East Lyme
Ayanti Grant	Director	Ex-officio, Congressman Joe Courtney
David Hammond	Director	Private Citizen, Pawcatuck
Thayne Hutchins	Director	Mohegan Tribal Nation, Uncasville
Richard Matters*	Director	First Selectman, Town of Franklin
Ronald McDaniel	Director	Mayor, Town of Montville
Robert Mills	Director	Norwich Community Development Corp., Norwich
Miria Miranda	Director	Miranda Creative Inc., Norwich
Ernest Muccio	Director	Jewett City Savings Bank, Jewett City
Sean Nugent	Director	Preston Redevelopment Agency, Preston
Mark R. Oefinger	Director	Town Manager (retired), Groton
Naomi Otterness	Director	Private Citizen, Groton
Todd Postler	Director	Greater Norwich Area Chamber of Commerce
Bill Sheehan	Director	IT Consultant, Waterford
Tony Sheriden	Director	Chamber of Commerce of Eastern CT, Waterford
Donna Simpson	Director	Private Citizen, New London
Gabe Stern	Director	CT Municipal Electric Energy Coop., Norwich
Zachary Tomblin	Director	Frontier Communications Corp., Norwich

* Board members who retired in 2017



SOUTHEASTERN CONNECTICUT
ENTERPRISE REGION

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