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COLLABORATION

Catalyst

an agent of change

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TEAMWORK

VISION

SeCTer is the lead regional economic development resource, stimulating growth and prosperity in southeastern CT.

MISSION

Making Southeastern CT stronger and more vibrant by 2030!

VALUES

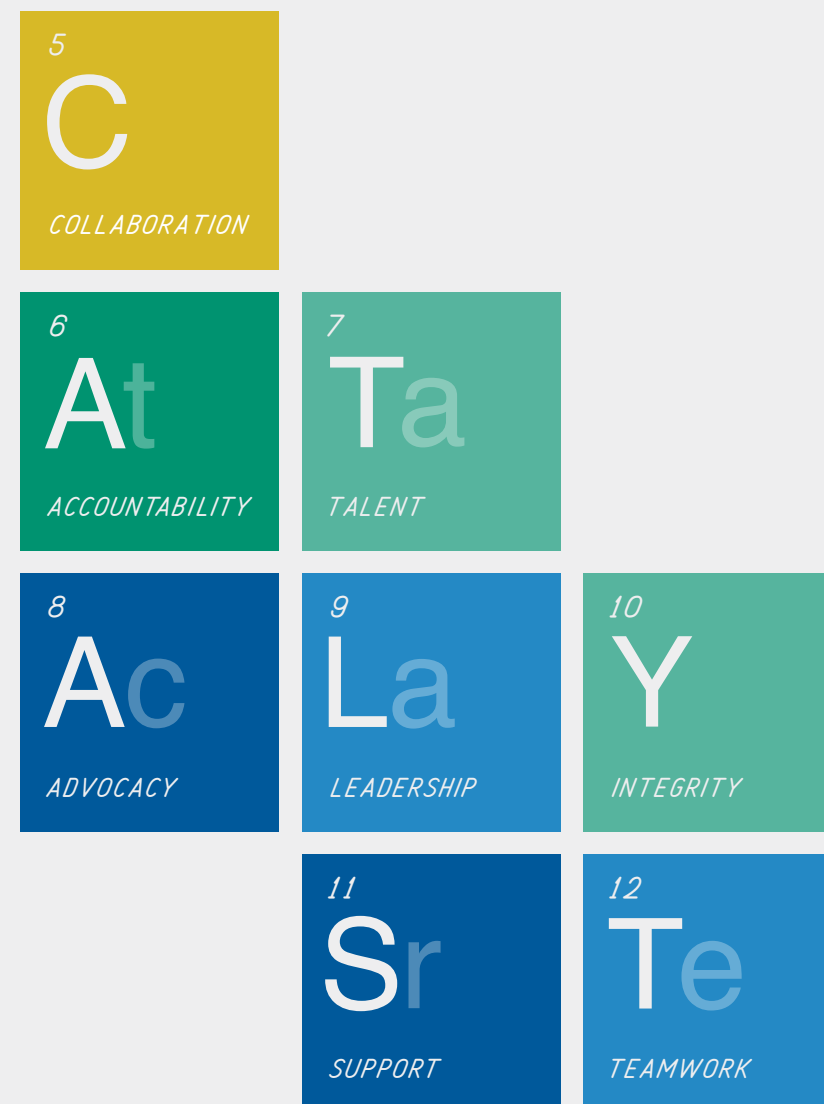
SeCTer believes:

- Our board and staff are reflective of the clients we serve
- In supporting and making our clients and communities successful
- 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

Catalyst

NOUN: CAT·A·LYST

an agent that
provokes or
speeds significant
change or action



Collaboration: a beacon of economic growth

Three years ago, seCTer announced a journey to unite the region.

We leaned into our strengths and seized opportunities along the way toward truly harnessing the region's economic development potential, culminating in this past year of catalytic activity.

We stepped to the plate and took big swings.

We collaborated with multiple organizations, taking a leadership role in developing and deploying a major event, Leading the Way, in support of General Dynamics Electric Boat and the region's manufacturing supply chain.

We threw aside our titles and job descriptions to work as a team to pull off the event with little time, but dozens of willing partners.

We provided advocacy for projects important to the region, from introducing developers to key people in the region, to discussing new laws impacting businesses and municipalities with stakeholders and legislators, to coordinating complicated partnerships to provide small business loans.

We added significant talent to our agency's staff and Board of Directors.

We became the partner of choice, due to our integrity and accountability.

Our staff was – and continues to be – the heartbeat of the organization through this work, going above and beyond in service of our mission every day.

Now, we look to the future.

SeCTer's Board and staff are in the process of refreshing our strategic plan, most recently completed in 2016.

The plan was initially designed to revitalize the organization and solidify its value proposition to the region. We are proud to say that more than 90 percent of the plan has been implemented.

The financial strength of the organization has been restored. We are working to infuse investment into this region we are so proud to serve. We are delivering a positive return on the trust placed in us.

Going forward we intend to build on this momentum by furthering strategies to spur our region's progress.

Collaboration. Accountability. Talent. Advocacy. Leadership. Integrity. Support. Teamwork.

We are the catalyst. Thank you for being part of this journey with us.

In addition to the CEDS, seCTer provides:

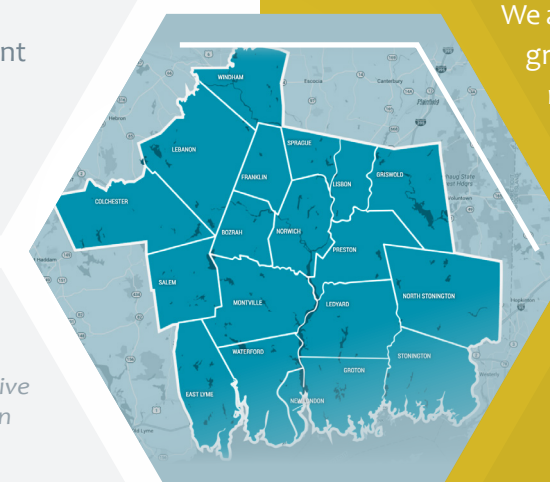
- Site finding services, often in collaboration with the Connecticut Economic Resource Center
- Data services for municipalities and developers interested in our region
- Grant writing support for municipal partners
- The region's economic development website

SeCTer is recognized federally and by the state as the region's designated Economic Development Organization. In order to facilitate prosperity and growth in our region, seCTer is involved in initiatives that include placemaking, job growth, and business attraction and retention. The primary way we accomplish this is by writing and deploying the region's Comprehensive Economic Development Strategy (CEDS), the most recent version of which was completed in 2017 and is available at www.secter.org.

SeCTer is responsible for capturing and reporting results on the plan, up to and including leading projects tied to its execution. There are a total of 126 potential actions outlined within the CEDS, and seCTer is reporting progress on 83 percent.

We are coordinating multi-stakeholder working groups centered around business resiliency, transportation, marketing and business outreach.

As a non-profit, public-private regional economic development agency, seCTer is leading and nurturing growth in the towns we serve for a brighter, more vital tomorrow.



Top: Interactive map found on secter.org

Bottom: Perkins Farm Development (Stonington)



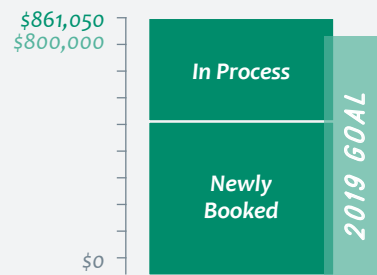
Nancy Cowser

Nancy Cowser,
Executive Director

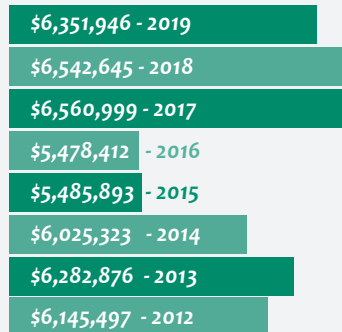
Michael Carey

Michael Carey,
Chairman of the Board

FYE 2019 Loans



FYE Loan Portfolio Historical Growth



Important Highlights:

- seCTer has become the region's go-to lending partner and, when a loan is best served by another lender, we are a major source of business referrals
- Approximately 140 small businesses have benefitted from seCTer loans over the past two decades, including Beer'd Brewing Company, Mystic Cheese, Captain John's Sportfishing, Gilman Gear, Salem Prime Cuts, Stonington Steel and Components for Manufacturing

Accountability: delivering on a development promise

Since the inception of our Loan Programs in 1996-97, seCTer has turned \$10.5 million in loan funding provided by the Economic Development Administration, the state of Connecticut and our own borrowers into \$160 million in total funding for the support of small businesses in our region.

To date, this funding has impacted more than 3,000 jobs.

This is a reflection of partnerships forged with other economic development agencies, non-traditional lenders, regional banks and other banking institutions. Our strength is in our knowledge of our region, our market, and the products and services available to small businesses. Currently, we are completing a \$1.5 million loan transaction that will provide for renovations and enhancements to a small business in one of our member municipalities. This was a challenging deal that stalled at one point and our loan partner called on us to bring it to fruition. Our own \$200,000 investment and our ability to find another good partner to close the funding gap made the transaction work for everyone involved – just one example of our abilities in action.

Industries that are challenging to fund, such as commercial fishing, agricultural manufacturing, aquaculture and drug discovery have found a lender at seCTer. We are currently seeking to grow and diversify our own loan funds to ensure we are here for our small business community for years to come.



Talent: making the most of seCTer



Examples of recent growth at Survival Systems:

- Instituting an Employee Stock Ownership Plan
- Evolving the Modular Express Training Simulator to offer doors and hatches to simulate several types of helicopters, fixed wing aircraft and even a submarine
- Adding classroom and practical training in survival (aviation egress, general aviation, emergencies, offshore energy, and land and sea survival) and leadership development at the main facility in Groton and a satellite location at Fort Campbell, Kentucky



In the spring of 1998, Albert Bohemier, CEO of Survival Systems, Ltd. approached the Connecticut Development Authority (CDA) and seCTer for assistance in financing the expansion of this Halifax, NS based company to Groton. For the first time in a financing package, seCTer's partner would be Bank of Montreal. Construction on the new facility at 144 Tower Road in Groton went fairly smoothly, the business was successful and profitable, and the loan was paid in full in 2003.

When Albert decided to retire, one of his key employees, Maria Hanna, purchased his stock and became the sole owner and CEO of what is now Survival Systems, USA. During her tenure, the company has become the premier provider of Aviation Survival Egress Training for the U.S. Department of Defense and for several major corporations in the aviation industry. She expanded training offerings by adding Team Building and Corporate Retreat Modules, which had a significant earnings impact.

Survival Systems was also a client of seCTer's Connecticut Procurement Technical Assistance Center – a statewide program serving all cities and towns in Connecticut – early on to help them gain government contracts. Maria now serves on seCTer's Board of Directors and Loan Administration Board, armed with first hand experience about seCTer's services.

Advocacy: Connecticut PTAC works on behalf of small businesses

SeCTer's CT PTAC program provides procurement assistance to Connecticut businesses and helps to navigate the road to securing government contracts. Small businesses, such as Safety and Occupational Supplies Enterprise, LLC, turn to CT PTAC for help developing a strategic approach in this effort.

S.O.S.E. was founded in 2010 with locations in New Haven and Bridgeport to offer a complete line of personal, commercial and environmental products and supplies for safety, occupational, janitorial, medical and office industries. S.O.S.E. partner Bruce Franklin approached CT PTAC for help securing federal government opportunities or federal associated subcontracts with a prime contractor.

The help CT PTAC offered included:

- Counseling sessions focused on understanding the culture and purchasing patterns of prime contractors and government agencies
- Education on the importance of attending networking events and industry seminars around the country to meet key decision makers
- The development of a complete Capabilities Statement and a detailed resource of all prime contractors attending the Leading the Way event

After meeting with General Dynamics procurement teams at Leading the Way, S.O.S.E. was invited by Electric Boat to submit a cost proposal for its supply items. A final contract signing is now pending, which will add to the \$500,000 in contract awards that S.O.S.E. has already secured while working with CT PTAC, an example of seCTer's advocacy in action.



This undertaking included:

- State and federal agencies
- Legislators and their staff from Connecticut, Rhode Island and New York
- Chambers of Commerce
- Business associations from around the state

Top Right:
T. Blair Decker,
VP Supply Chain,
Materials and
Strategic
Sourcing,
GDEB



Left: Jea Hur, GDEB; Nancy Cowser, seCTer; Ayanti Grant, District Director for Congressman Courtney

Leadership: seCTer and Connecticut PTAC 'Leading the Way'

In late 2018, seCTer and CT PTAC shared a vision with Electric Boat to bring together small businesses with procurement personnel. This would support our CEDS goals and help EB grow its supply chain. In May 2019, 500 people representing 214 supply chain companies from 11 states came together for 14 breakout sessions, more than a dozen speeches and the chance to connect with procurement personnel from the seven New England divisions of General Dynamics.

It was an exhilarating experience for those involved to witness the rapt attention of the crowd as it heard why quality is so critical to a defense industry leader such as General Dynamics Electric Boat – not to mention submariners and their families. It was magical to watch the lively networking that led to eventual contracts.

Most importantly it was fulfilling to see the fruit of this worthy effort that brought together in partnership so many organizations from CT along with Procurement Technical Assistance Centers from across New England, all led by seCTer's Connecticut Procurement Technical Assistance Center (CT PTAC).

It was a collaboration that undoubtedly led to growth in the region, getting to the very heart of the seCTer mission.

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Integrity: strength in our Board of Directors

A big piece of our efforts to revitalize and increase seCTer's value proposition is dedication to doing our work with integrity and accountability. SeCTer's staff is deeply grateful to our Board of Directors, who work with us to carry out our goals throughout the region - thank you for being such an integral part of our success.

OFFICERS

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Mark R. Oefinger, **1st Vice Chair**
Ed Dombroskas, **2nd Vice Chair**
Richard Erickson, **Secretary**
Robert Congdon, **Treasurer**
Charles Seeman, **Past Chair**

Attorney, Suisman Shapiro Attorneys-at-Law
Retired Town Manager, Town of Groton
Executive Director, Tourism District of Eastern CT
Planning Consultant
First Selectman, Town of Preston
Retired President/CEO, UCFS

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Wendy Bury
James Butler
Bruce Cummings
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Ayanti Grant
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Chris Jewell
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Maria Miranda
Ernest Muccio
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Naomi Ottemess
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Donna Simpson
Gabriel Stern

Senior Governmental Liaison, General Dynamics/EB
President/CEO, EWIB
Town Manager, Town of Groton
Executive Director, Southeastern CT Culture Coalition
Executive Director, SCCOG
Healthcare Consultant
State Senator, 20th District
Director of Planning, Town of East Lyme
Office of Congressman Joe Courtney
Private Citizen, Town of Stonington
President/CEO, Survival Systems USA, Inc.
Councilor, The Mohegan Tribal Nation
CFO/Principal, Collins & Jewell
Mayor, Town of Montville
President, NCDC
Principal, Miranda Creative, Inc.
VP & Chief Credit Officer, Jewett City Savings Bank
Chair, Redevelopment Agency, Town of Preston
Private Citizen, Town of Ledyard
President/CEO, Chamber of Commerce of Eastern CT
Private Citizen, Town of Stonington
Director Planning & Project Development, CMEEC

536
Business
clients

153
Women-
owned
small
business

CT PTAC's 2019 Program Results

139 - Minority-owned small
businesses

88 - Veteran-owned/service
disabled veteran-owned
small business

50 - Events



in awards



in counseling

11
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Support: how seCTer makes success possible

Through loans, technical assistance, grant support, data and sitefinding, we help member municipalities and small businesses accomplish their goals.

Under the mission of CT PTAC, marketing and procurement assistance is offered to businesses selling goods and services to federal, state, local and tribal governments. With offices in Groton, Milford, Stamford and Rocky Hill – including at the Office of Veteran's Affairs – CT PTAC Procurement Specialists are the bridge between businesses and government procurement staff from initial bid offering through contract completion.

Just as CT PTAC's support comes in the form of teaching, technical assistance, mentoring and coaching – as well as electronic tools to research and identify government contracting opportunities – seCTer develops partnerships and offers data analysis to help municipalities in the quest for quality development.

SeCTer offers direction. It offers focus. It provides a framework for the future to help our region fully utilize its unique advantages to maximize economic opportunity for its residents. SeCTer programs do not act in silos. Each program and initiative is part of the greater puzzle. It is often the case that a business that wins a government contract then needs to grow, therefore it needs loan funding. To secure that funding, the business may need to find a new site and capture data to support their business plan. We also may need to bring in community partners to leverage the support we provide.

There are many paths that all lead to one place of success – and seCTer is the place to start.

Bill Groves, Branch Manager
Berkshire Bank (previously
Savings Institute) with Nancy
Cowser, seCTer Executive
Director



Teamwork: thank you

SeCTer's growth and fiscal health would not be possible without the support of our funders:

FEDERAL:

US Department of Defense, Defense Logistics Agency*
US Department of Commerce, Economic Development
Administration

CORPORATE AND FOUNDATION:

Chelsea Groton Foundation
Dime Bank Foundation
Eastern Connecticut Savings Bank (multi-year award)
Frank Loomis Palmer Fund
Jewett City Savings Bank Foundation
Savings Institute Bank and Trust
Savings Institute Financial Group Foundation

LEADING THE WAY SPONSORS:

CT Department of Economic & Community Development
City of Norwich/Norwich Community Development Corp
Rhode Island Commerce Corp/Supply RI
Chelsea Groton Savings Bank
CT Economic and Resource Center (CERC)
Community Investment Corp
CONNSTEP
Eastern Advanced Manufacturing Alliance (EAMA)
Eastern CT Savings Bank
Hoyt, Filippetti & Malaghan LLC
Jewett City Savings Bank
Naval and Maritime Consortium
Tobin, Carberry, O'Malley, Riley & Selinger, PC (TCORS)

* CT PTAC is funded in part through a PTAC cooperative agreement
with the Defense Logistics Agency

STATE:

Department of
Economic
and Community
Development

MUNICIPAL:

Bozrah
East Lyme
Franklin
Griswold
Groton
Ledyard
Lisbon
Montville
New London
North Stonington
Norwich
Preston
Salem
Sprague
Stonington
Stonington Borough
Waterford
Windham

SOUTHEASTERN CT ENTERPRISE REGION CORPORATION STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019

(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 29,349	\$ 139
Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities:		
Depreciation and Amortization	1,675	2,059
Changes in operating assets and liabilities:		
Grants receivable	36,647	(27,086)
Accounts receivable	18,497	28,751
Prepaid expenses	(510)	(1,125)
Loans receivable	228,469	49,227
Accounts payable	(14,634)	24,728
Accrued expenses	7,877	(11,248)
Due to CT small businesses lending partner program	(10,566)	(677)
Due to CT small business express program	(138,166)	151,289
Due to funding source-small business express program	(144,951)	(462,019)
Deferred grant revenue	24,521	(5,527)
Net cash provided by (used in) operating activities	38,208	(251,489)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash outlay for property and equipment	(11,516)	—
(Increase) Decrease in restricted cash and certificate of deposit	(83,519)	403,070
Net cash (used in) provided by investing activities	(95,035)	403,070
NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS	(56,827)	151,581
CASH AND CASH EQUIVALENTS, beginning of year	513,948	362,367
CASH AND CASH EQUIVALENTS, end of year	\$ 457,121	\$ 513,948

*SOUTHEASTERN CT ENTERPRISE
REGION CORPORATION STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019*

(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018)

	2019 WITHOUT DONOR RESTRICTIONS	2019 WITH DONOR RESTRICTIONS	2019 TOTAL	2018 TOTAL
SUPPORT AND REVENUE				
Grant revenue	\$ 671,416	\$ 70,000	\$ 741,416	\$ 710,152
Contributions	55,301	84,834	140,135	117,167
Interest income	153,406	62,409	215,815	233,802
Program fees	30,616	3,068	33,684	56,966
Investment income	7,018	2,353	9,371	9,618
Loan allowances	(15,000)	—	(15,000)	
Net assets released from restrictions:				
Satisfaction of purpose restrictions	217,715	(217,715)	—	—
Total support and revenue	1,120,472	4,949	1,125,421	1,127,705
EXPENSES				
Program services				
Loan programs	151,267	—	151,267	180,411
Comprehensive economic dev. strategy	144,834	—	144,834	140,387
Procurement technical assistance center	671,490	—	671,490	681,781
Total program services	967,591	—	967,591	1,002,579
Supporting services				
Management and general	128,481	—	128,481	124,987
Total expenses	1,096,072	—	1,096,072	1,127,566
Change in net assets	24,400	4,949	29,349	139
NET ASSETS, beginning of year	381,517	6,154,414	6,535,931	6,535,792
NET ASSETS, end of year	\$ 405,917	\$ 6,159,363	\$ 6,565,280	\$ 6,535,931

*SOUTHEASTERN CT ENTERPRISE
REGION CORPORATION STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2019*

(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018)

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 457,121	\$ 513,948
Grants receivable	16,505	53,152
Accounts receivable	83,222	101,719
Prepaid expenses	18,029	17,519
Restricted cash and certificate of deposit	1,572,451	1,488,932
Loans receivable, less allowance for doubtful loans	4,581,963	4,810,432
Property and equipment, net	24,489	14,648
Total assets	\$ 6,753,780	\$ 7,000,350
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 16,669	\$ 31,303
Accrued expenses	43,466	35,589
Due to CT – small business lending partner program	157	10,723
Due to CT – small business express program	59,012	197,178
Due to funding source – small business express program	—	144,951
Deferred grant revenue	69,196	44,675
Total liabilities	188,500	464,419
NET ASSETS		
Without donor restrictions	405,917	381,517
With donor restrictions	6,159,363	6,154,414
Total net assets	6,565,280	6,535,931
Total liabilities and net assets	\$ 6,753,780	\$ 7,000,350



SOUTHEASTERN CONNECTICUT
ENTERPRISE REGION

19-B Thames Street, Groton, CT | Call 860.437.4659 | Visit sector.org
f @secternlc | t @_seCTer | in seCTer: Southeastern CT Enterprise Region

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