



Latino Economic Development Center

Centro para el Desarrollo Económico Latino



2018 ANNUAL REPORT



Letter from Henry Jimenez

LEDC'S EXECUTIVE DIRECTOR

We would like to thank you for the support provided to the Latino Economic Development Center last year during the transitional time. As you may know, I started as Executive Director on March 1st, 2019. Upon my arrival, I assessed LEDC's capacity, community impact, and contractual responsibilities. I found that LEDC still plays a crucial role in supporting Latino entrepreneurs and job seekers. Unfortunately, for the last couple of years, LEDC hasn't been able to meet our community's needs and operate efficiently. This was a challenging scenario, and while this report reflects the work done in 2018, I am happy to share that we have made substantial progress in 2019 to address those challenges. Some of the immediate adjustments we made included:

- Simplified and refocused the organization by redirecting LEDC staff to provide more direct technical assistance to businesses, lending, and workforce development. LEDC will focus their efforts to serve entrepreneurs in the feasibility stage, business retention, and new business. On a case-by-case basis, LEDC will work with second-stage businesses. Businesses that LEDC will not be able to serve will be referred to our partners.
- Changed the customer flow, assigning entry-level staff acting as a case manager and a more seasoned

consultant to provide more technical services to our clients.

- To increase our capacity in the long term, we are in the process of hiring a second business consultant to be able to respond to the current demand for services. LEDC also provides the training for two of its new business consultants.
- To increase the organization's branding, we had a series of activities to communicate to our membership that LEDC is still in operation and providing consulting services again. We ran an outreach campaign and a survey that increased substantially the number of businesses served.
- We keep committed to the work in the rural areas, and we are engaging in ways to improve the way we provide services to our customers.
- We were able to successfully sell Los Lagos building, and we are in the process of assessing the appropriate real estate needs for the organization.
- Finally, to improve the grant and contract management, LEDC contracted Clifton Larson Allen for accounting and systems management.

We look forward to continuing strengthening our communities through our work.



Letter from Christopher Romano

LEDC BOARD OF DIRECTOR'S CHAIR

Friends, Colleagues, Community Members, Entrepreneurs –

The community spirit is strong behind LEDC's mission and purpose. It can be seen in the Latino immigrants who come to Minnesota looking for opportunity—willing to work hard and sacrifice to bring their dreams to life. In doing so, these entrepreneurs revitalize communities in the metro's urban core and across outstate Minnesota that often suffer disinvestment and blight. The spirit can be seen in the voice and influence provided by our established Latino business owners who have built million-dollar enterprises that employ our community members, give back to and support our local neighborhoods, and who "pay it forward" in support of other aspiring entrepreneurs. It can be seen in the individuals who commit to LEDC's training and educational coursework with a dedication to learning and personal improvement. And it can be seen in the Latino farmers and agriculturalists who bring skill and investment in rural communities across our state. At LEDC we work

tirelessly to build economic power, political influence, and community leadership within our local Latino communities, which, ultimately, creates a better Minnesota for all of us.

I feel tremendously grateful to be part of such an important organization—one that is needed now perhaps more than ever. And I am extremely proud of both what Henry and his team have been able to accomplish in 2019, as well as of what will be possible in 2020 and beyond. To those of you who have been a part of our work, a sincere "thank you." Without trusted partners and supporters, LEDC would not be what it is. And for those of you who are inspired by our work but not yet engaged, please consider stepping forward. Help us by contributing to our work, and in doing so you will be supporting a strong and powerful vision and purpose. Together we can drive toward stronger, more diverse, and higher performing communities across Minnesota.

In solidarity,
Chris



What LEDC does

The Latino Economic Development Center is a not-for-profit organization created in 2003 to support the economic well-being of Latinos in Minnesota. LEDC initially focused its efforts to support Latino entrepreneurs in the Twin Cities area, but due to the demand services and the evolving needs of our community, LEDC has developed a series of initiatives to respond to the business and workforce needs of the Latino community throughout Minnesota. Those initiatives are grouped in the following main categories:



Entrepreneurship

One-on-one assistance, coaching, and trainings



Workforce Development and Trainings

GED in Spanish, English, Computer, Entrepreneurship



Access to Capital

Loans and loan packaging



Latino Scholarship Fund

Scholarships for Latino students



Rural and Agricultural Development

Investing in local food systems and minority-owned businesses/farms

Our Vision

A thriving multicultural community, enriched with Latino leadership, culture, and economic influence.

Our Mission

To transform our community by creating economic opportunity for Latinos. We are an ethnic, membership-based Community Development Financial Institution (CDFI) certified by the U.S Department of Treasury, by the Minnesota State Council of OICs, and OIC America as an Opportunities Industrialization Center (OIC).

LEDC at Glance



17 loans given,
totaling \$626,000



1,050 hours of business
technical assistance in
the Twin Cities area



1,300 hours/70
businesses and farmers
in rural areas



Loan portfolio includes
110 open loans and over
\$4,500,000.00



Jobs impacted 186
employees, 128 jobs
created



125 people received
workforce services



3 scholarships to Latino
students, totaling \$7,500



7 staff members
and 3 consultants



Trained 42 new aspiring
entrepreneurs



5 farmers received
the Organic + Good
Agricultural Practice
certifications

Program Highlights



Access to Capital and Loan Program

In 2018, LEDC approved 17 loans totaling \$626,000. LEDC's portfolio increased to 110 loans totaling over \$4,500,000 since 2013. LEDC's loan portfolio is geographically distributed throughout the state: of the total dollars allocated \$2.1M was in Saint Paul, \$1.3M was in Minneapolis, \$600K in rural areas, and \$300K in subsidies in the suburbs. We have lent \$440K to farmers. Through this program, we have been able to retain 186 jobs and create 128 in 2018.

Picture: Hector Lopez, owner of La Chiquis Supermarket, recipient of the BizRecycling Grant (10K) to implement a new recycling system at his business.



Employment and Trainings - TTOIC Academy

In 2018, 125 people participated in one or more of our training offerings. Our current offerings include trainings for English as a second language, GED and pre-GED, computer skills development, micro-entrepreneurship, and workforce development. Over 80% reported job retention beyond six months. In 2018, our micro-entrepreneurship class supported the creation of six new jobs in Stillwater.

Picture: 2018 GED Graduation



Entrepreneurship program

We provided over 3,000 hours of technical assistance in the metro area and rural area impacting about 287 entrepreneurs. We also surveyed our members to understand their current business needs, challenges, and opportunities. From this survey, we created a new entrepreneurship curriculum, which we piloted in 2018 with 42 aspiring entrepreneurs. LEDC currently has 404 clients in its entrepreneurship program, and 133 of those are paying members.

Picture: José Parada, inauguró su negocio "Vidal Auto Service" en Julio de 2018 gracias a el programa de asistencia técnica



Rural and agricultural development

In 2018 this program received \$342K in federal grants to continue providing technical assistance to minority-owned farms and small businesses. Our program is now working with farmers from Minnesota, Wisconsin, Michigan, and Florida. In 2018 we provided 1,300 hours of technical assistance. The demand for services keeps growing steadily, and we expanded services in the Minnesota communities of Danube, Renville, and Little Falls, and in Eau Claire, Wisconsin. Finally, through this program, LEDC helped five farmers obtain their certificate as organic producers and in food safety management, as well as expanded four existing businesses and created four new ones.

Picture: Asael Garcia sheep farmer, Benson, MN



Latino Scholarship Fund (LSF)

In 2018, LEDC gave three scholarships of \$2,500 each for a total of \$7,500 through its Latino Scholarship Fund program.

The 2018 LSF recipients are:

- David Jiménez Bermeo: Nontraditional
- Emmanuel: First Year Access
- Karen Lopez: First Year Access

About the LSF:

In the early 1990s a group of low-income entrepreneurs had the dream of starting a program that would offer higher education opportunities to low-income Latino students who might also face legal challenges that prevent them from accessing financial aid. For many years, Latino leaders from different fields of community development continued to work toward this vision. Thanks to their hard work, the Latino Economic Development Center and its membership were able to create the LSF. In 2006, LSF awarded its first two scholarships.

Picture: 2018 Latino Scholarship Fund Recipients

Organizational Capacity and Sustainability

LEDC's main challenge in 2018 was to stabilize the organization and keep providing services to its members and potential entrepreneurs while was experiencing staff changes. We want to give a special thanks to Ramon Leon (LEDC founder and longtime Executive Director), John Flory, and Yolanda Cotterall for their invaluable support, hard work, and commitment with the organization for all those years. They now go their separate ways to conquer new personal and professional challenges, and we wish them the best on their journey.

To respond to the organizational challenges, in 2018 LEDC created a stabilization plan and hired a transitional team to meet the following objectives:

1. Stabilize LEDC's financial outlook
2. Improve operating systems
3. Clarify short-term focus activities
4. Facilitate leadership transition
5. Implement real estate management strategy, including the sale of most of its current buildings

Under the leadership of Christopher Romano, LEDC hired a consulting firm to create a strategic framework. Ron Lezama was hired as Interim Executive Director, and Mike LaFave as a Financial Consultant. These two consultants became the point of contact during the transition. This transitional team provided the consistency and energy needed to not only keep the organization afloat but also to take the first steps to rebuild it. In late 2018, LEDC decided to seek a new executive director, which resulted in the selection of Henry Jimenez as the new LEDC leader. Once Henry joined the organization in early 2019, there was substantial progress toward meeting the objectives set in the 2018 stabilization plan. There was a small reorganization to ensure the organization could meet the needs of its clientele and stay financially stable. Also, to increase the technical capacity, LEDC conducted a train-the-trainer session, implemented



Cooperativa Agua Gorda, Long Prairie, MN

by Yolanda Cotterall and John Flory to train two new business consultants. LEDC also hired two senior-level consultants on a contract basis to coach entry-level staff and to provide direct technical assistance to businesses. As part of rebuilding the organization, Ron Lezama fostered cooperation between John Ramirez and Yolanda Cotterall to develop a new micro-entrepreneurship curriculum in Spanish that is both high quality in content and culturally relevant. To create consistency in our systems and improve our relationship with our membership, we are creating a consolidated



Grand opening "Mañana" Salvadorian Restaurant, Saint Paul MN

database and tracking system to have more timely and accurate reports. We expect to have this new system up and running in late 2019. Finally, we took strong steps to sell one of LEDC's buildings.

We want to thank our partners, supporters, friends, and staff for their commitment to the organization during times of uncertainty. We believe the worse is over, and the organization has taken strong steps towards its stabilization and we expect to see it thrive in the oncoming months.

Financial

Statement of Financial Position

Assets

Cash and cash equivalents	\$	171,959
Accounts and grants receivable	\$	115,787
Contributions receivable	\$	92,500
Other assets	\$	22,233
Loans receivable, net	\$	1,981,174
Cash restricted for loan programs	\$	747,798
Property and equipment, net	\$	2,929,661
Total	\$	6,061,112

Liabilities








Accounts payable / Accrued expenses	\$	178,017
Due to State of Minnesota	\$	249,725
Notes Payable	\$	3,766,960
Total	\$	4,194,702

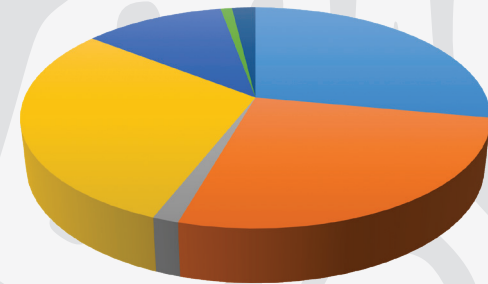
Net Assets

Net assets without donor restrictions	\$	(42,574)
Net assets with donor restrictions	\$	1,908,984
Total	\$	1,866,410




Statement of Activities

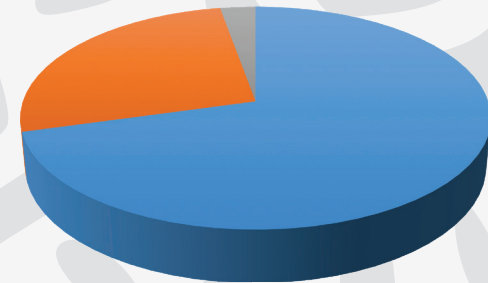
Revenue

Contributions & in-kind	\$	371,684	
Government grants	\$	352,881	
Program fees	\$	20,335	
Rental revenue	\$	393,903	
Interest income	\$	153,901	
Special events	\$	12,500	
Other income	\$	25,631	
Total	\$	1,330,835	



Expenses

Program services	\$	1,413,956	
Management and general	\$	530,531	
Fundraising	\$	56,288	
Total	\$	2,000,775	



Change in Net Assets **\$ (669,940)**

Funders and Sponsors

Grant & Individual Contributions

- The Saint Paul Foundation
- McKnight Foundation
- F R Bigelow Foundation
- Blandin Foundation
- US Bank Foundation
- McNeely Foundation
- Wells Fargo Foundation
- Ramsey County
- LISC - Local Initiatives Support Corporation
- Immigrant Law Center
- Xcel Energy

- Compeer Financial
- Fairview Health Services
- Community Shares of Minnesota
- US Bank Employee donations
- Ally Financial, Inc
- Merrick Community Service
- Thrivent Financial Foundation
- United Way
- Benevity Fund
- Mightycause Charitable Foundation
- Center for Energy & Environment
- Razoo Foundation

Sponsorships - Mexican Independence Celebration

- Mexican Consulate
- Faribault Foods
- US Bank
- Fredrikson & Byron, PA
- Catholic Community Foundation

Sponsorships - Taco Tour

- El Nuevo Miramar Restaurant
- Taqueria Los Ocampo
- La Guadalupe, Inc

- Carmens Enterprise LLC
- Sonora Grill Longfellow, LLC
- A la Salsa Restaurant

Latino Scholarship Fund

- Minnesota Twins Baseball Club
- Christopher Romano
- Ron Lezama
- Jose Gonzalez
- Sunrise Community Banks
- John Robertson
- Law Office of Iris Ramos

LEDC's Board of Directors

Christina Jennings, *Shared Capital*
Maria Boyle (Vice chair), *J & B Group*
Uri Camarena (Secretary), *MEDA*
Eduardo Mozqueda, *Dorsey and Whitney*
John Pacheco, *Latino Chamber of Commerce*
Andre Goodlet, *Hormel Foods*
Thomas Pantalion, *US Bancorp*
Christopher Romano (Chairman), *Thrivent Financial Services*
Iris Ramos, *The Law Office of Iris Ramos LLC*
Ambar Hanson, *Hiawatha Academies*
Victoria Ann Blanco, *PricewaterhouseCoopers (PwC)*

LEDC's Executive Director (2019)

Henry Jimenez



LEDC's Staff and Main Consultants (2018)

Andres Salinas, *Loan Program Assistant*
Alondra Rodriguez, *Community Outreach Specialist*
Jaime Villalaz, *Greater MN Ag/Business Director*
Joanne Parker, *Bookkeeper*
Johanna Jaquez, *Client Specialist and Membership Coordinator*
John Ramirez, *TTOIC Director*
Rocio Bustillos Valenzuela, *Loan Program Director*
Rodrigo Cala, *Agricultural Consultant*
Valentina Hidalgo, *Community Outreach Specialist*


Transitional Leadership

Ronal Lezama
Mike Lafave

Consultants

John Flory, *Business Consultant*
Yolanda Cotterall, *Business Consultant*

 (612) 724-5332
 www.ledc-mn.org

 **East Side Enterprise Center**
804 Margaret Street.
St. Paul, MN 55106

 LEDC-MN