Statement of Financial Position

Assets

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>413,275</td>
</tr>
<tr>
<td>Property and Equipment</td>
<td>13,908</td>
</tr>
<tr>
<td>Other Assets</td>
<td>1,069</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$428,251</strong></td>
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</tbody>
</table>

Liabilities and Capital

<table>
<thead>
<tr>
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<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td>8,213</td>
</tr>
<tr>
<td>Capital</td>
<td>420,038</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Capital</strong></td>
<td><strong>$428,251</strong></td>
</tr>
</tbody>
</table>

Statement of Activity

Revenue

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<thead>
<tr>
<th></th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Grants Income- Foundation and</td>
<td>476,548</td>
</tr>
<tr>
<td>Earned Program Service Income</td>
<td>59,887</td>
</tr>
<tr>
<td>Donation - Individual</td>
<td>1,215</td>
</tr>
<tr>
<td>Membership dues</td>
<td>13,030</td>
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<tr>
<td>Other Income</td>
<td>26,605</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$577,284</strong></td>
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</table>

Expenses

<table>
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<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>193,540</td>
</tr>
<tr>
<td>Management &amp; General</td>
<td>185,435</td>
</tr>
<tr>
<td>Fundraising</td>
<td>65,355</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td><strong>$444,330</strong></td>
</tr>
</tbody>
</table>

2005 Funders

(in alphabetical order)

- Blandin Foundation
- Otto Bremer Foundation
- Bush Foundation
- First Universalist Church
- Local Initiatives Support Corporation
- Management Improvement Fund
- McKnight Foundation
- Minneapolis Foundation
- Payne-Lake Community Partners
- Pohlad Family Foundation
- Saint Paul Foundation
- Saint Paul Travelers Foundation
Organizational Information

**Mission**
To transform our community by creating economic opportunity for Latinos.

**Vision**
A thriving multicultural community enriched by Latino leadership, culture, and economic influence.

**Core Functions**
- **Assist** entrepreneurs with establishing and growing their businesses
- **Develop** public markets and commercial corridors with Latino business participation
- **Build** membership to improve access to resources for Latino businesses

**Core Values**
- **Promote** just, sustainable, and ethical business practices; healthy, respectful work environments; social responsibility; and economic justice
- **Develop** Latino talent, leadership, civic engagement, and political influence
- **Affirm** and reflect the strengths of Latino culture and language
- **Nurture** free enterprise and the entrepreneurial spirit of our community
- **Listen** to and act in the best interests of our membership; contribute our wisdom and experience for the betterment of all members

**Contact Information**
Latino Economic Development Center
Plaza Verde; 1516 E Lake Street, Suite 201, Minneapolis, MN 55407
Minneapolis: 612-724-5332  St. Paul: 651-552-0725
Toll-free within the United States: 1-877-724-LEDC
www.ledc-mn.org

**LEDC Staff**
- **Standing:** José Ygnacio Díaz, Community Organizer; Mónica Romero, Business Consultant for the West Metro area; Ramón León, Executive Director; Jennifer Rondon, Membership Services Coordinator; John Flory, Special Projects Director
- **Seated:** Sonia León-Valdez, Contracted Financial Literacy Specialist; Adriana Vazquez, Scholarship Program Coordinator; Yolanda Cotterall, Business Consultant for the East Metro area and Rural Areas
Letter from the Executive Director

Dear LEDC members, friends, and supporters,

2005 was another year full of activity and growth. We added new staff members, worked to improve and expand our services, and continued to work in partnership with other organizations to meet our mission. Our Latino scholarship endowment fund is growing, and we expect to award the first scholarships this year.

We believe that building wealth in the Latino community is a means to promote justice and human dignity. Our business consultants delivered business orientation sessions and one-on-one consultations. We added a micro entrepreneur training course in partnership with the Neighborhood Development Center and the Assumption Church in Richfield. We recruited and provided technical assistance to the business tenants of “La Hacienda Plaza,” and we have been working diligently on the Midtown Global Market. In outstate Minnesota, we are laying the foundation for building the capacity and the partnerships to support community and economic development in emerging Latino communities.

LEDC also increased its national presence in 2005. In the spring, I made a presentation on “Building a socially responsible business community” to a Project for Public Spaces conference in Los Angeles. In the fall, I made a presentation on “Building assets in emerging Latino communities” at the National Association of Latino Community Asset Builders conference in Kansas City, and another on “Incorporating successful entrepreneurship into your marketplace” at a second Project for Public Spaces conference in Washington.

It was a very positive year for LEDC. We believe that this success would not be possible without the generous support of foundations, the hard work of our dedicated staff, and the wise guidance of our board of directors and committees. To all of you, I would like to express my most sincere gratitude. I look forward to continuing to work on behalf of our constituency and our community as a whole.

Sincerely,

Ramón León

Board of Directors 2005/2006

Juan Carlos Alanis, Latino Communications Network
Jeff Alexander, HRI Consulting
Lorenzo Ariza, Salsa a la Salsa Restaurant
Eduardo Barrera, Translation Services
Rolando Borja, Grafika Advertising
Patricia Brown, Neighborhood Development Center
Gloria Contreras-Edin, LEDC Board President
Susana Espinosa de Sygulla, Go Latino!

Jennifer Godinez, Director, Minnesota College Access Network
Carlos Landreau, Farmers Insurance Group
Juan Linares, community organizer
Salvador Miranda, Organizing Apprenticeship Project
Jose Payan, Tortilleria La Perla
Fernando Pérez Rivera, Peter Deng and Associates.
Christopher Romano, Riverview Economic Development Association
Public Markets and Commercial Corridors

Creating links to public and private entities with resources to help build the Latino community.

A core function of the Latino Economic Development Center (LEDC) is to develop public markets and commercial corridors that include Latino businesses. On East Lake Street in particular, the Latino community has been building a thriving economy that is revitalizing the corridor. This work was threatened by predatory landlords and outside developers looking to reap the rewards. Committed to building ownership of key pieces of property by responsible owners, LEDC spear-headed two significant developments on Lake Street.

Plaza Verde

Plaza Verde has been home to the Minneapolis office of the Latino Economic Development Center since late 2004. In addition to the LEDC office, the building also houses several Latino-oriented businesses, Heart of the Beast Puppet and Mask Theater, and the Lake Street Business and Career Center. Renovating this 43,000 square-foot, four-story building was a significant accomplishment for LEDC and its project partners. In March 2005, Minneapolis mayor R. T. Rybak acknowledged the hard work and dedication that transformed "a vacant and blighted property into a revitalized retail destination for community-based businesses and a center for arts groups." Plaza Verde is a true public/private partnership that has set an example for how to stabilize and revitalize a commercial corridor like Lake Street.

Latino Scholarship Fund

The Latino Economic Development Center has created a unique partnership with El Fondo de Nuestra Comunidad to establish the Latino Scholarship endowment fund within the Saint Paul Foundation. This is the first endowed college scholarship fund of the Latino community in the state of Minnesota. More than $30,000 has been raised from businesses and individuals, and the fund’s advisory committee has committed to raising an additional $50,000 every year for the next few years to add to the endowment. Income from the fund will provide scholarships in the amount of $3,000–$5,000 each to children of low-income Latino immigrant families. We expect to award the first scholarships in 2006.

2005 Awards given by LEDC

Negocio Ejemplar: Cafeteria La Loma
Socially responsible business of the year. For being a good employer, offering incentives and promotion opportunities to its employees, and being a leader in the community.

Mujeres Latinas en Negocio:
Manuela Barraza, owner of Regalos Jennifer
Latino Woman entrepreneur. For being a role model, a leader, and successful entrepreneur.

Empresarios Filántropos:
El Fondo de Nuestra Comunidad
Philanthropic organization/individual/entrepreneur. For generous donations of time, work and/or money to the community.
Midtown Global Market

The former Sears building is a key property on East Lake Street. How it was redeveloped would have an impact on the growing Latino commercial corridor that had developed over the past ten years. When LEDC learned that the city of Minneapolis was considering bringing in a national retailer as part of the project, it organized a response that convinced the city to work with local Latino businesses instead. As a result, the Midtown Global Market is scheduled to open in 2006 as part of the Midtown Exchange, the former Sears building, in Minneapolis. The $18 million project was spearheaded by the Latino Economic Development Center, Neighborhood Development Center, African Development Center, and Powderhorn Phillips Central Wellness Center.

Roughly one-third of the tenants will be start-up businesses, coming from graduates of training classes offered by LEDC and other neighborhood partners. About half the vendors will be “second level” entrepreneurs, who have three to five years of experience in business. The envisioned business ladder model will allow vendors to progress to larger spaces and broader customer bases as they become more experienced. The project will foster community economic development, provide business development opportunities to low-to-moderate income entrepreneurs of many different ethnic groups, and be a community gathering space.

Voluntarios de LEDC: Barbara Jeanetta
Volunteer of the year: For her generous donation of work, time and advice to LEDC.

Amigo de LEDC: Ernesto Palestino
Friend of LEDC. For assisting LEDC in crucial times.
Expanding Business Opportunities
Building wealth in the Latino community is a means to promote justice and human dignity.

A second core function of the Latino Economic Development Center is to assist entrepreneurs with establishing and growing their businesses. Committed to building the economic capacity and self-sufficiency of Latinos in Minnesota, LEDC offers financial skills development; loan packaging, presentation and advocacy; business plan development; and assistance with licensing, permits and registration.

In addition to start-up assistance, LEDC offers ongoing long-term assistance to businesses as they become established and look to expand their facilities or their products and services. LEDC works to promote ownership by responsible businesses by helping them secure financing to purchase property.

2005 Highlights
Two emerging commercial corridors on Payne Avenue and Arcade Street are fast becoming important Latino shopping districts on the St. Paul side of the river. LEDC has provided loan packaging support for five loans totaling $380,000 to purchase commercial property, purchase existing businesses or build out existing commercial space.

LEDC worked with a wide range of businesses, including janitorial and housecleaning, wine importing, automotive repair and parts, landscaping, and construction-related, such as roofing, sheetrocking, and siding.

La Hacienda Plaza
Latino Economic Development Center worked with the developers of La Hacienda Plaza to recruit and evaluate tenants. LEDC also provided start-up assistance and prepared loan packages for the plaza tenants. Located at Fourth Avenue and Lake Street, the development is based on a business condominium model that gives business tenants the opportunity to own the space they occupy. The building, previously owned by Las Americas, was renovated and a new building constructed for La Hacienda restaurant as the anchor business. Opened in October 2005, the stylish eight-shop retail mall and restaurant development is a major improvement on Lake Street.

La Hacienda restaurant started at the Mercado Central six years ago. With LEDC assistance, the owners opened a second location in 2003 and then purchased their own building in the fall of 2005. La Hacienda restaurant employs 15 individuals, all of whom live in the surrounding neighborhoods.

La Poblanita Taqueria
La Poblanita is one example of the long-term business development support provided by LEDC. Originally located at 27th Avenue and Lake Street, La Poblanita was a successful Mexican grocery and taqueria. When the landlord doubled the rent, the store owners decided to move.

They purchased a former problem sauna on Lake Street with financing from the city of Minneapolis and the Minneapolis Consortium of Community Developers. However, the building required more extensive renovation than anticipated, and La Poblanita almost went out of business because of the unexpected costs and related problems.

The Latino Economic Development Center provided extensive support working with contractors and inspectors and helped secure additional financing. La Poblanita survived and has been successful enough to purchase the adjacent building, the former Pizza Shack, for an expansion. Sales have reached $1 million annually, and a previously distressed location is now a thriving business.
The Latino Economic Development Center is a statewide organization focused on community and economic development. In addition to the Twin Cities area, LEDC has been working to deliver services to the growing Latino communities in rural Minnesota. Local partners in this work include Heartland Community Action Center of Willmar, the Southern Minnesota Initiative Foundation of Owatonna, the Southwest Minnesota Foundation of Hutchinson, and the Small Business Development Center of Marshall.

Two community organizers are being trained by LEDC to provide technical assistance in their local areas, helping Latino entrepreneurs start or expand businesses. They will receive additional business-related training from LEDC and the Minneapolis Consortium of Community Developers. These individuals will also participate in a year-long program in community development sponsored by Metropolitan State University and Local Initiative Support Corporation.

Plans are moving along for a multicultural market in Willmar that would include Latino- and Somali-owned businesses. LEDC and its partners, the city of Willmar, Kandiyohi County, and the Southwest Minnesota Housing Partnership, are raising money to buy a building where the market will be located, and have hired a program coordinator.

In addition, LEDC, the Metropolitan Economic Development Association, and United Migrant Opportunities Services formed the Minnesota Collaborative for Latino Economic Development (MCLED). The goal is to create more effective delivery of business assistance and to build increased capacity for economic development in outstate Minnesota.

**Greater Minnesota**

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**East Metro Area**

- 6 loans for business start-ups and expansion totaling $159,500.
- 30 businesses served before and during Lake Street reconstruction. Surveys conducted and followed up with marketing strategies.

**East and West Metro Area**

- 204 individuals participated in business orientation sessions.
- 213 individuals, members and non-members, received one-on-one consultations.

**Greater Minnesota**

LEDC prepared business plans and loan packaging support for the purchase of four buildings by Latino entrepreneurs along the Lake Street corridor including:

- **Tortilleria La Perla**—approximately $1.8 million in real estate and equipment purchase.
- **Taqueria La Hacienda**—$950,000 to purchase a new restaurant facility.
- **La Poblana**—over $1 million for the purchase and renovation of a building adjacent to the original store for expansion purposes.

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