Making Connections
Building Businesses
2013 Annual Report
NEF envisions a Nebraska where every micro and small business owner has the opportunity and resources to realize his or her potential as a business owner.

FROM THE BOARD CHAIR

The Nebraska Enterprise Fund (NEF) will be 20 years old in 2014. In nonprofit speak that is excellent longevity! The last three years have been particularly important in the history of the organization. This is due to NEF not only serving as an intermediary, but also becoming a gap financer for businesses. NEF is happy to report that this expansion is proving successful for many reasons.

Continued outreach to assist programs that serve micro businesses in Nebraska and more connections with Nebraska financial institutions has been a focus of NEF’s work plan. NEF’s loan capital was leveraged significantly during FY ’13, with $2.6 million loaned to small and micro businesses by NEF and its program partners for the year, leveraging $14 million from private sources in loan packages. 74% of loan clients across the State were low to moderate income citizens, which speaks volumes about NEF’s work and its vision to help business owners have the opportunity and resources to realize their potential.

NEF’s investors/funders continue to play a major role in making this work possible. Being a certified CDFI contributes a great deal to NEF’s credibility and growth; particularly as it adds new investor banks.

When all is said and done, micro/small businesses are the champions in Nebraska’s economy. NEF is pleased for the opportunity to assist in starting and growing these businesses.

Winsley Durand III
NEF Board Chairman

NEF Board

Winsley Durand III, Omaha Chamber, Senior Director Recruitment & Minority Economic Development
Jim Lowe, Owner, Midwest Micro Systems
Jennifer Wolf, Executive Director, Dawson Area Development
Edward Kentch, CRA Officer, First National Bank of Omaha
Julie Bauman, Owner, Julie Bauman, CPA, PC.
Dave Behle, Key Accounts & Econ Development Coordinator, Dawson Public Power District
Cassie Seagren, Economic Development Manager, City of Omaha
Krista Dittman, Owner, Branched Oak Farm Dairy and Cheese

Thank you to Cindy Johnson, Grand Island Chamber President, for 7 years of service on the NEF Board.

NEF Advisory Board

Shannon Filing, President and Owner, Transformation Marketing
Jim Murphy, Bank of the West, Senior Vice President, Business Banking Regional Manager
Kendall Scheer, Vice President of Sales for Community Banking, First National Bank—Omaha
Julene Schoen, Commercial Credit Analyst /Assistant Relationship Manager, US Bank
THE NEXT CHAPTER FOR NEF

December 2013 marked the beginning of the 14th year of my employment at Nebraska Enterprise Fund and 27th year of working with micro/small businesses. To say I have seen changes in that time period would be an understatement just as saying we are where the industry needs to be today would be an overstatement.

One of the greatest changes has been the recognition of the value of small businesses in our economy. These businesses, although very valuable to communities, were not recognized for their collective benefits. It took the Great Recession of 2008 to prove the fact that small businesses are the job creators and retainers. Now that the numbers reveal this fact, it is time for everyone to put voice to this reality and inform policy makers of the need to support the growth of small businesses and the nonprofit industry that provides necessary resources.

During the last 13 years, Nebraska Enterprise Fund (NEF) evolved from being a gap financer for programs to also directly assisting businesses with loans and CD guarantees. Taking an open approach to what businesses need and bringing existing resources in to help the businesses is making a difference. Collaboration with multiple private and public partners has brought efficiency to this process.

NEF is in a good position to grow its work/impacts exponentially over the next five years. Under the leadership of Jim Reiff, the new Executive Director, changes are already in the works to help expedite this growth. I look forward to following this development.

Rose Jaspersen
Retiring NEF Executive Director

LETTER FROM OUR NEW DIRECTOR

It is a privilege to have the opportunity to join the Nebraska Enterprise Fund as it celebrates its 20th anniversary in 2014. Since joining, it has been a pleasure to work closely with Rose to ensure a smooth transition, and while we prefer she not exit, we wish her a rewarding retirement.

NEF continues to grow and develop. It was recertified as a Community Development Finance Institution (CDFI) in 2013 proving once again that it is well positioned to achieve its mission and goals to provide the opportunity and resources to Nebraska’s small and micro businesses so that these vibrant and important businesses continue to grow, develop, and provide employment to the diverse communities throughout the state. NEF has done this with a strong emphasis on expanding its lending activities to over 54 businesses through direct loans and CD collateral guarantees as well as supporting 7 partners with Evergreen loan funding. It has nearly doubled its outstanding loan funds to over $4.2 million since 2012.

While it grows, NEF seeks to have a greater reach throughout Nebraska by providing relevant funding and resources to viable businesses. NEF seeks to improve its level of sustainability and thus ensuring its ability to serve businesses into the future. NEF looks to expand its collaboration with like-minded businesses, resource providers, and organizations to enhance the business environment of Nebraska with particular emphasis on the entrepreneurs who provide life to the economies of Nebraska’s communities. NEF believes in the entrepreneurs of Nebraska, and is delighted to be in the position to work with so many of Nebraska’s businesses as they develop, expand and grow.

Jim Reiff
New NEF Executive Director

SPECIAL THANKS TO OUR SPONSORS/FUNDERS

CDFI Fund—US Department of Treasury
US Small Business Administration
US Department of Agriculture
Nebraska Department of Economic Development
U.S. Bank
Wells Fargo Bank
First National Nebraska Community Development Corporation
First National Bank Omaha

Great Western Bank
Federal Home Loan Bank of Topeka
Bank of America
Opportunity Finance Network
First National Bank Columbus
Platte Valley State Bank
Bank of the West
Summary of Data for FY 2013

• 166 total new loans were provided to new and existing businesses during FY ’13 by NEF and its program partners.

• $2.6 million was loaned by programs with $14 million leveraged from private sources.

• 3,435 participants received technical assistance, training and/or loans.

• Participants from 88 Nebraska counties were served in FY ’13.

• Program partners and NEF reported on average that 74% of loan clients were low to moderate income.

• NEF’s average loan size was $38,565. Average loan size from all programs was $15,406.

• 457 jobs were retained or created from the businesses that received new loans during the year. (2.75 jobs on average per new loans originated)

“I like to call on the Nebraska Enterprise Fund to partner in loan packages with. Their staff is responsive and knowledgeable. They value partnerships with other organizations and banks in providing gap financing. They are a great resource for small businesses in Nebraska.”

-Pete Upton, Executive Director, First Ponca Financial
• NEF serves as a Statewide Intermediary by providing capital, training/networking opportunities and technical assistance to microenterprise development organizations (MDOs) in Nebraska.

• NEF serves micro/small businesses with direct business loans in both rural and urban communities.

• NEF connects with financial institutions across Nebraska to assist with gap financing for their small business clients.

• NEF collaborates with multiple public and private partners to connect resources to businesses efficiently.

“It was a great experience working with the Nebraska Enterprise Fund. They were very efficient and professional and they provided us with the additional collateral we needed to adequately protect the bank. I would highly recommend their services.”

- Cory Johanson, Business Banking Officer, First National Bank North Platte

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**STATEMENT OF FINANCIAL POSITION**

June 30, 2013
Balance Sheet

**ASSETS**

- Total Current Assets: $2,400,988
- Fixed: $12,336
- Loans Receivable: $2,953,189
- Pledged CD Guarantees: $572,290

**Total Assets:** $5,938,803

**LIABILITIES & EQUITY**

- Current Liabilities: $579,866
- Long-Term Obligations: $1,829,232 (net of current maturities)

**Total Liabilities:** $2,409,098

**EQUITY**

- Net Assets - Unrestricted: $157,483
- Net Assets - Restricted: $3,372,222

**Total Net Assets:** $3,529,705

**Total Liabilities & Net Assets:** $5,938,803

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**2013 Program Partners**

Catholic Charities-Microbusiness Training & Dev  
www.ccomaha.org

Center for Rural Affairs / REAP  
www.cfra.org/reap

GROW Nebraska  
www.growneb.com

Hastings Economic Development Corporation  
www.redevelophastings.com

Ho-Chunk Community Development Corporation  
www.hochunkcdc.org

Midlands Latino Community Development Corporation  
www.midlandslatinocdc.org

NeighborWorks Omaha  
www.nwomaha.org

Northeast Economic Development, Inc.  
www.nedlinc.org

Omaha Small Business Network, Inc.  
www.osnbtc.org
GROW Nebraska’s™ Mission is to create sustainable economic development by supporting entrepreneurs and small businesses through promotion, market access and education.

GROW Nebraska’s™ vision is to create awareness of Nebraska businesses and services through the “Buy It Local Nebraska” campaign, in turn, increasing additional revenue, jobs and Generating Real Opportunities for Wealth.

Learn more at www.growneb.org.
Contact GROW Nebraska at 888.476.9632 or info@grownebra.org
NOT SO SMALL...
Small and Micro Businesses: Economic Drivers

The definition of microbusiness varies, however it often means a business employing five or fewer employees. Micro/small businesses are much larger than may be apparent. The following facts demonstrate the importance of micro/small businesses to the economy and relevance they play in Nebraska as well as in the United States.

- According to the Kaufmann Foundation, self-employment is at a 16 year high in the US
  - Of the 28.5 million businesses in the US, 88% or 25.1 million are micro
  - Microbusinesses in the US employ 31% of all private sector jobs
  - Over 41.3 million jobs are attributed to microbusinesses including 26 million direct jobs
  - Micro businesses employ more people than: the Manufacturing sector, or Trade sector, or Transport sector, or Utilities sector
    - Micro businesses employ more people than at all levels of the government
    - Microbusinesses contribute nearly $5 trillion annually to the US economy
    - Microbusinesses pay $135.5 billion annually to federal, state, and local taxes
    - Of the 169,127 businesses in Nebraska, 86% or 145,558 are micro
  - In 2009, Nebraska’s microbusinesses employed more than 19% of the state’s workforce
  - 194,590 jobs were directly attributed to microbusinesses in Nebraska
  - Nebraska proprietors earn an average of $26,733 from their business for over a $5.2 billion contribution to the State's economy each year

The Federal Reserve Bank of Kansas City highlights that, “…entrepreneurs can generate new economic value to their communities. Entrepreneurs add jobs, raise incomes, create wealth, and improve the quality of life for citizens…”

The NEBRASKA ENTERPRISE FUND and its partners are dedicated to support the growth small and micro businesses in Nebraska.


Business Profile: ELM Home Services LLC | Ron & Brian Metz | La Vista, Nebraska
Website: www.elmhomeservices.com

Business: Construction—Home renovation—The Metz’s (father and son) primarily do home renovations including both interior and exterior upgrades. The company also provides snow removal services in the winter, as well as, home renovations for resale.

Impact and Future Plans: Ron Metz was laid off from his job of 20 some years when his job was moved to Texas. His son, Brian, was working in retail management at the time and they decided to fully develop their business building on their self-taught home repair skills. ELM’s first year of full-time operations was 2012. In the first seven months of 2013 they multiplied their 2012 gross sales almost 6 times. ELM’s market continues to grow through word-of-mouth advertising in their market area. Ron and Brian have built a network that includes a realtor who assists with the purchase and re-sale of houses. They hire electrical, plumbing and landscaping subcontractors who have the proper licensing and tools for specific tasks. At the current time, ELM is contemplating the addition of its first employee.

Business Development Assistance: NEF staff assisted with loan application assistance, then NEF provided a business loan to use for working capital and equipment purchases. The loan supported their cash flow needs in remodeling homes. They plan to resale at least four homes within the next year.

Brian Metz said, “I'm putting in longer work days than I did in my previous job, but enjoy getting out of bed each morning, knowing that I will spend my day doing something I enjoy.”

Ron Metz said, “Being self-employed is making a difference for our personal balance sheets. We feel that running your own business is a good approach to building a strong asset base for the long-term.”
The Nebraska Enterprise Fund’s mission is to make sure that Nebraska micro/small businesses have access to capital, training, and technical assistance.

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