



Annual Report 2019

The background image shows two women in a cafe. The woman on the left is wearing a blue headband and a dark t-shirt with 'Moonbow Taps COFFEE & SIPS' written on it. The woman on the right is wearing a blue headband and a dark t-shirt. In the background, there is a menu board with items like 'Cappuccino', 'Latte', 'Caramel', 'Frites', 'Cakes', 'Tiramisu', 'Brownie', 'Fudge', and 'Cinnamon'. A small chalkboard sign in the foreground lists 'Baked Goods' with prices: 'Crisissant 2.29', 'Cookie 1.00', 'Muffin 2.29', and 'Maidenhair 7.99'. A window in the background has 'CORE FITNESS' written on it.

SKED
Let's do business better.

Let's do business better.

SKED invests in a better way of life in Southeast Kentucky in three important ways.

Our deep connections in the region help us serve as a catalyst for growth. We are invested in raising the economy for our entire 45-county service area through lending, recruitment and expansion and training.

IN 2019:

21 Micro loans*
TOTALING \$414,402

23 LOANS MADE TO
Unique businesses

15 Business loans
TOTALING \$4.6 MILLION

We believe a brighter future in Southeast Kentucky begins with stronger businesses.

We do business better at SKED.

Whether you need money, advice or training, we help businesses large and small find innovative solutions that inspire growth. We invest in a better way of life in Southeast Kentucky through business lending, training, business expansion and recruitment — and have done so for more than 30 years.

With SKED, you get support above and beyond what a typical lending institution can provide. We create value by offering professional guidance, building personal relationships and sharing our deep connections to the region, ultimately helping you feel confident about building and growing your business.

*Loan of \$50,000 or less



Our Mission

The Southeast Kentucky Economic Development Corporation's mission is to improve the quality of life and vitality of our service area by promoting sustainable economic development and employment opportunities with creativity, professionalism, and integrity in collaboration with local, state, and federal partners.



From left: Corey Craig, David Blakeman, Charlene Harris, Bruce Carpenter and Carol Wright.

Not pictured: Tim Gibbs, Daryl Smith, Virginia Flanagan, Darryl McGaha, Dr. Jennifer Lindon, Ph.D. and Tim Barnes.

SKED Board of Directors 2019

SKED's volunteer Board of Directors meets monthly to review and approve projects and loans proposed by the staff. The 12 men and women comprising the board represent communities across our 45-county region in fields ranging from education to banking, utilities and workforce training.



From the Executive Director

Brett Traver

Welcome to SKED's 2019 Annual Report. Last year, the lending staff we brought on in 2018 hit their stride with more than \$5 million in lending, a record year for us. We did this while implementing new policies and systems.

You'll notice a new look to this report that carries forward to a new website and collateral material. We're excited about the new image and functionality we will be rolling out on the website in 2020. So, "Let's do business better."

The Supplier Education & Economic Development (SEED) program has continued to grow with the awarding of a three-year \$1.3 million Appalachian Regional Commission (ARC) POWER Grant. This funding allows us and our partners at the Kentucky Procurement Technical Assistance Center and Advantage Kentucky Alliance to bring more services to our region's manufacturers. There is more about the SEED POWER Grant in this report.

Over the past two years, SKED has been working to increase our accountability and transparency.

We've partnered with Aeris to independently review our processes, financials and impact. During our

last review, SKED raised our financial ranking to A-. So, you'll be seeing the Aeris rating logo in SKED's material.

SKED's A- Aeris rating is a direct result of the hard work that our Board of Directors and staff have put into policies, processes and dedication to doing the right thing every time.

In the past year, we've partnered with Start-up Space to put 25 Be Boss Online videos onto a mobile app that can be accessed by our clients anywhere at any time. This new partnership will make it easier for businesses to access valuable training on how to market their business on social media through an online portal.

This and the projects outlined in this annual report are just a few of the impacts SKED has had on the region this past year. I would like to say thank you to the staff, our Board of Directors, our federal and state partners and the business and community leaders throughout our region who are working every day to transform the economy of our region.

We're making an impact.



Here are just a few of the ways SKED made business better in 2019.

Dr. Jennifer Lindon was elected to SKED's Board of Directors.

Dr. Lindon is president & CEO of Hazard Community & Technical College (HCTC) located in Hazard, Ky.

Nearly 50 small business owners and advanced manufacturers participated in training sessions in Eastern Kentucky through SKED's Supplier Education & Economic Development (SEED) Program.

Working with the Kentucky Procurement & Technical Assistance Program (KYPTAC) and Advantage Kentucky Alliance (AKA) SEED has hosted five training workshops and one contracting symposium to prepare the region's best and brightest business owners to compete for and win valuable government contracts from some of the nation's biggest prime contractors like Boeing, Lockheed Martin and Northrop Grumman. A record 16 contractors attended the 2019 symposium.

Representatives from The Boeing Company traveled to Corbin, Ky. to meet with more than 50 representatives from 26 Kentucky manufacturers and service-related businesses

for a full day of presentations, networking and collaboration. The purpose of the training was to help develop an "ecosystem" in an area where suppliers can partner with major contractors and each other to grow the region's economy, according to Boeing.

SKED began a rebranding of itself in its 33rd year. A new website, print and digital materials and a revamped logo are all part of the new look.

2019 HIGHLIGHTS:

SKED MADE A RECORD

36 loans totaling \$5 million.

(UP 14 LOANS AND \$2.8 MILLION FROM 2018)

With this funding, Southeast Kentucky small business owners and entrepreneurs invested more than

\$16 million back into the region.

482 jobs were retained.

148.5 new jobs were created.

193 BUSINESSES OWNERS AND INDIVIDUALS COUNSELED

66 ENTREPRENEURS AND SMALL BUSINESS OWNERS COMPLETED

Be Boss Online

SKED training staff held six classes across the region and one online class.



Piccoli Horses

PULASKI COUNTY, KY

Kimberly Rogers doesn't trust the future of her beloved small business to just anyone. The Pulaski County resident and Piccoli Horses™ owner has worked with SKED since its inception in 2016.

From the beginning, Rogers has entrusted planning, marketing and financing of her one-of-a-kind technology-based toy company to SKED and its resources.

"Amanda Kelly has practically been "on-call" for me since I first met with her to pitch my business plan in October of 2016. Her role as SKED's small business training director has given me the guidance and encouragement to bring my small business dream to life," Rogers said. "To say SKED has been an important partner in Piccoli Horses™ evolution goes without saying."

Piccoli Horses™ is a company born out of a mother's need to help her son. When her son, Dylan, had learning and balance issues as a young child, she set out to learn why. A round of tests and a seizure later, she discovered her three-year-old's brain was gradually being crushed by the pressure of a condition known as "gradual onset hydrocephalus." He underwent several neurosurgeries to relieve the pressure, but all of this occurred during the time his language skills should have been forming correctly. She met with speech therapists and learned everything she could about helping him "catch up."

The result was an app to help children learn a language and help them play at the same time.

"I didn't like the idea of children getting addicted to technology," Rogers said. "So I created a plush horse to go along with the app to keep them engaged."

Piccoli Horses™ are soft stuffed animals that are perfect for children of all ages. Piccoli Zoo is an app that parents can download to accompany the stuffed horses. Through the app, the children learn little words in different languages and are encouraged to jump, run, skip and do other physical activities. This helps them stay engaged in learning.

When Rogers needed working capital for more inventory in 2019, she called on the lending staff at SKED. The nonprofit lender combined its U.S. Small Business Microloan funds with money from its U.S. Department of Agriculture (USDA) Intermediary Relending Program (IRP) to create a unique package for Rogers.

Piccoli Horses™ are available for sale online and in select retailers across the United States. ■



PULASKI COUNTY



Kimberly Rogers
Owner, Piccoli Horses

SKED's lending team has worked on different financing packages that have enabled me to grow and market my product to businesses around the world.

FOR MORE INFORMATION:
www.piccolihorses.com

Goose Creek Candle, LLC

CASEY COUNTY, KY

One of the world's most successful candle manufacturers is returning to its roots, bringing new employment opportunities with it back to the place where it all began.

Goose Creek Candle, LLC is moving its distribution base back to Casey County

They're doing it with help from two of the region's most trusted economic development and nonprofit lending organizations. SKED partnered with Casey County Bank and the Lake Cumberland Area Development District (LCADD) to assist the company's owners in buying and restoring a vacant Liberty, Ky. facility to house its home-base operations and create new jobs there.

Chuck and Tammy Meece are thrilled to have their 21-year-old business back where it belongs.

"It is such a pleasure working with SKED. Goose Creek Candle is very appreciative of their continued support," said Tammy Meece, Goose Creek Candle president.

The company's beginning was a humble one. The Casey County High School sweethearts started it in their kitchen in 1998. They were building their American Dream in their own backyard: one candle pour at a time.

With their growing family in tow, they developed the candle wax, its distinctive scents

and began marketing their product to nearby gift shops. Within two years, the Meeces were ready to expand. They hired two employees and moved into a small building on family land. The demand for their candles grew, as they branched out by selling to buyers at national trade shows and establishing a website. This growth made it possible for them to lease, renovate and move their operations into a larger building in 2012.

By this time, the company was a true family-based business, as each of their teen children had been given responsibilities within the company. They employed more than 80 local residents and were manufacturing and shipping a whopping 10,000 candles per day.

Their dream was interrupted in 2013 when a fire forced the Meeces to discontinue operations at the Liberty facility, lay off employees and contract with manufacturers and distributors in other regions of the country to keep the business going. With no other suitable facilities available in the area to relocate, they were forced to lay off the majority of their employees and contract with candle manufacturing



facilities in North Carolina and Mayfield, Ky. and a distribution facility in Tennessee.

Since then, Goose Creek Candle's reputation for high-quality, safe and signature scents has grown exponentially with sales worldwide and facilities across the country. All of their products are still made in the USA.

Today, the company boasts sales in 75 different countries, with more than 100 fragrance options and products available online and on the shelves of thousands of independent retailers.

But the Casey County natives never gave up on returning their beloved business back to their hometown. In 2019, they called on a longtime friend and lender to the region's small business community: SKED for help.

The Meeces had found a good financial partner in SKED early on in the business. SKED assisted

them in funding their Liberty, Ky. operation in 2006 and helped them get back on their feet, following the fire with loan funding from the U.S. Department of Agriculture Rural Development Program. But their goal to return the business' manufacturing and distribution center to Southeast Kentucky would take personalized attention and cooperation among resources that only a regional nonprofit like SKED can deliver.

SKED staff worked with the Meeces to locate an existing facility in Casey County to retrofit. They set about finding funding and workforce partners to help train and equip their employees with the skills necessary and, most importantly, SKED provided the small business owners with hours of individualized financial and business coaching to help them realize the dream of bringing good, quality jobs back to Casey County. ■

SKED applied for and was awarded an \$800,000 Office of Community Services grant through the U.S. Department of Health and Human Services in 2019.

This funding has been used to make a loan to Goose Creek Candle to help finance its manufacturing and distribution business and the creation of the workforce it requires back to Casey County.

"Bringing funding, resources and expertise together to help businesses grow and create jobs is at the heart of what SKED does," said SKED Executive Director Brett Traver. "By working with all of these partners, we have the opportunity to multiply the impact."



CASEY COUNTY



The Meece family, (from left) Chuck, Micah, Jordan, Tamara and Madison, own and operate Goose Creek Candle Company, LLC.

Organizations such as SKED are invaluable to businesses such as ours, and we are so proud to partner with them for continued growth and success.

Tammy Meece
President, Goose Creek Candle

FOR MORE INFORMATION:
goosecreekcandle.com



LAUREL COUNTY

Bear Diversified, LLC

LAUREL COUNTY, KY

When Bear Diversified, Inc. needed to make building improvements and upgrade equipment at its London, Ky. subsidiary, its leadership called on longtime lending partner SKED to get the job done.

The company needed to renovate its paint line and relocate its metal receiving area at Highlands Diversified Services (HDS). These improvements would add more jobs and enable the launching of the production of 200 new automotive components at the Southeast Kentucky facility.

HDS employs 275 people at its Laurel County facility. There, workers do metal stamping and fabrication, welding (both resistance and robotic), drilling, tapping, staking, powder coating, electro-mechanical assembly, warehousing and distribution for automotive, aerospace and satellite television industries.

President Ian Hessel and his team had worked with SKED on previous projects, and he knew they would put together a financing package that would have the company's best interest in mind.

"Working with the folks at SKED has been a real pleasure. They look at a business differently than a traditional lender. Job creation and overall economic development impact are a part of their mission," said Hessel.

"I knew our company's situation was unique and would take a unique lender to work with us on getting the best loan package available to help us meet our goals on time. And best of all, they're available for financial advice after the loan is closed. They truly care about their loan clients and the region."

SKED staff accessed its Community Development Financial Institution (CDFI) loan funds provided by the U.S. Department of the Treasury and partnered with Cumberland Security Bank to fund the loan to Bear Diversified, Inc. for the business expansion.

"It has been a pleasure working with Ian on the Highlands Diversified Services expansion," SKED Director of Lending Chris Coldiron said. "Ian has been very innovative and resourceful in his management of Highlands Diversified, which has allowed the company to expand and diversify its customer base.

SKED is grateful to be a partner and play a small role in the expansion of this growing business. The region will benefit greatly from the job growth borne out of the company's success." ■



They look at a business differently than a traditional lender.

Ian Hessel
President, Bear Diversified, LLC

FOR MORE INFORMATION:
beardiversified.com

Adkins Fastop

MARTIN COUNTY, KY

Billy Adkins is not afraid to invest in Eastern Kentucky. In fact, doing so makes him proud and hopeful for his hometown.

The Martin County native has been buying and transforming businesses in the region for years.

His latest is a vacant convenience store and gas station in the heart of Inez.

He opened Adkins Fastop in the center of town in January, after razing a vacant building on Main Street. In its place is a brand new facility offering local customers conveniences they didn't have before. The business has been welcomed with open arms. It boasts the community's first ICEE™ machine, fresh, locally made deli and breakfast sandwiches, a coffee bar and gas pumps with a chip reader, to ensure that customers' payment information is safe.

The former coal miner turned entrepreneur has managed quite the transformation himself over the last few decades. He began work in the coal mines right after high school, married his longtime sweetheart and spent the first 20 years of his career toiling in local mines. But when the mining jobs left the region, Adkins dug in and looked for new ways to raise his family and help his community.

The father and grandfather owns two restaurants and another Fastop in Pike County, in addition to other small businesses. To say he's invested in the region is an understatement.

Adkins contacted Southeast Kentucky Economic Development Corp. (SKED) to help finance his latest business venture. He had heard the nonprofit lender served his county and sought its help. Staff worked closely with him from the business' beginning stages.

"Martin County is my home, Adkins said. "I refuse to give up on it. I tried for some time to get this business up and running," he said. "The folks at SKED have been a lifesaver. They've worked with me through the challenges and given me some great advice and input on making this a success. They're more than just a lender. They care about small business owners."

"My other businesses are doing well," he said. "I will give my all to make this one work too," he said. "I guess it's the coal miner in me that refuses to give up this area. The people here deserve the best I can give them, and I really appreciate their support." ■



MARTIN COUNTY



The folks at SKED have been a lifesaver. They care about small business owners.

Billy Adkins
Owner, Adkins Fastop

GET SMALL BUSINESS SUPPORT:
www.skedcorp.com

Supplier Education & Economic Development

SKED grew its Supplier Education & Economic Development (SEED) program in 2019, with funding from the Appalachian Regional Commission (ARC).

We were one of 10 non-profit organizations in Kentucky receiving funding, as part of the ARC's POWER (Partnerships for Opportunity and Workforce and Economic Revitalization) Initiative.

The three-year grant is being used to expand the company training and support component of the SEED Program in the first year. The expansion brought together three partners: SKED, Advantage Kentucky Alliance (AKA) and Kentucky Procurement Technical Assistance Center (KYPTAC), to grow the SEED Program and prepare 30 companies to expand their business by receiving customized training based on the company's needs assessment and then connecting them to potential customers throughout the U.S. and the world.

SKED is using the \$1.3 million award to expand the reach and capacity of the SEED Program. SEED's training and support services are designed to improve the competitiveness of manufacturing companies in coal-impacted counties of Eastern Kentucky and will help them acquire the competence needed to win government and private contracts.

SKED Executive Director Brett Traver says this funding is expected to create 350 jobs and leverage \$3 million in private funding.

"It is exciting to have the ability to expand this program with the ARC's help," Traver said. "I want to thank Congressman Rogers, our partners and the companies of Eastern Kentucky for making the program what it is today."

"We've proven time and again, that our workforce can compete with the best in the country, and countless contracts are renewed every year as a result of the stellar products that are made in our region."



I believe we can attract more business and successfully compete for more contracts right here at home, and this SEED Symposium is where it all begins."

Harold "Hal" Rogers
U.S. Representative, 5th District KY

SEED PARTNERS:



Nearly 50 small business owners and advanced manufacturers participated in training sessions

In 2019, SEED Power Grant partners worked with 27 different businesses to help prepare them for growth and increased sales.

The AKA is a statewide, nonprofit partnership that provides assistance and training to help manufacturers of all sizes grow, improve their manufacturing and business strategies and processes, adopt advanced technologies, increase productivity, reduce costs, and improve competitiveness. The organization is led by Center Director Scott Broughton. Broughton also worked with SKED in 2018 through the SEED: Quality Certification Program.

KYPTAC serves all 120 counties as well, and provides free, highly personalized procurement assistance to small business

owners. Executive Director Darrall Henderson has worked closely with SKED in the deployment of its SEED training over the past two years.

Some 47 small business owners from across the region have participated in SEED training since its inception in 2017. Pulaski County's Summit Aviation has been a SEED participant since the program's beginning. Scott Roush is the company's director of manufacturing.

"Summit Aviation is thrilled that SKED was awarded funding to continue the SEED initiative," Roush said. "It has provided training programs, connected partners within the region as well as connected businesses within the region to prime defense contractors. This venture is giving opportunities to regional businesses, as well

as the workforce that would not be possible without SKED and the grant funds."

POWER is a congressionally funded initiative that targets federal resources to help communities and regions that have been affected by job losses in coal mining, coal power plant operations, and coal-related supply chain industries due to the changing economics of America's energy production. ARC has invested over \$144.8 million in 182 projects touching 312 counties across Appalachia since 2015. ■

FIND A TRAINING PROGRAM:
skedcorp.com/training

On the cover: SKED worked with Whitley County residents Geoff and Sky Marietta to open Moonbow Tipple Coffee & Sweets in downtown Harlan. This new coffee shop is a wonderful addition to the Harlan community.

Southeast Kentucky Economic Development thanks the following funding partners for their assistance in 2019:

Appalachian Regional Commission

Commonwealth of Kentucky

Cabinet for Economic Development

U.S. Department of Agriculture

Rural Development

U.S. Department of Housing and Urban Development

Rural Housing and Economic Development Program

U.S. Small Business Administration

SBA 504 Program

U.S. Small Business Administration

Microloan Program



This institution is an equal opportunity provider and employer

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form.

You may also write a letter containing all of the information requested in the form.

Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of the Adjudication,

1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program-intake@usda.gov.



Let's do business better.

Located in The Center for Rural Development

2292 S. U.S. 27 • Somerset, KY 42501



(606) 677-6100



info@skedcorp.com



[@skedcorp](https://www.facebook.com/skedcorp)

skedcorp.com