



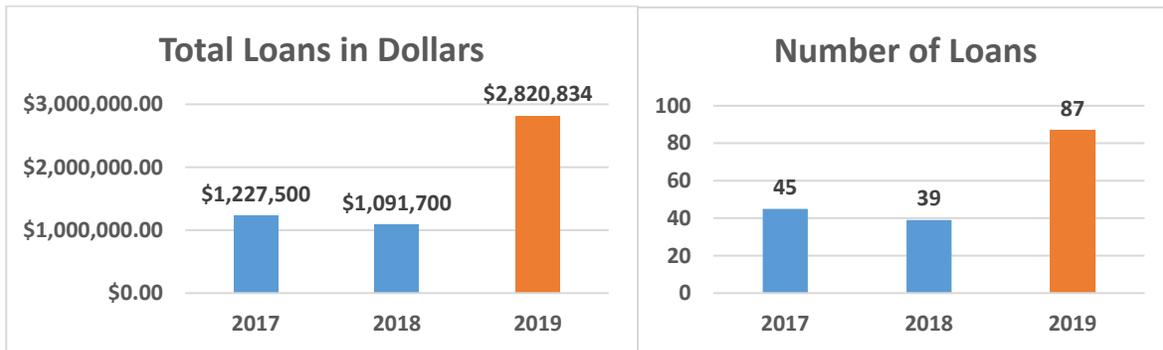
2019 ANNUAL REPORT

Microlender of the Year

Once again, the U.S. Small Business Administration recognized FORGE as the Arkansas Microlender of the Year. Honored as such since 2014, FORGE continues to be the top microlender in the state and ranks among the top twenty microlenders in the country.

Record Loan Growth

FORGE is proud to report that 2019 was the single largest year of lending in the organization’s history. Deploying \$2.8 million across 29 Arkansas counties, this loan volume represents a 158% increase year-over-year. In FY 2019, FORGE received 162 complete applications and closed 87 loans valued at \$2,820,834. The default rate was 2.4%. The net loss from the five loans charged-off was \$2,488. With expanded operations, increased net assets, and extraordinary demand, FORGE is in a strong position to continue to extend its impact across the state and region.



Last year FORGE dramatically expanded its lending activity in underserved communities, including 36 loans (41%) to minority entrepreneurs, 34 loans (39%) to women, 8 loans (9%) to veterans, and 54 loans (62%) to rural entrepreneurs.

Women	34	39%
Men	53	61%

Rural	54	62%
Urban	33	38%

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African American	25	29%
Hispanic	7	8%
Multiracial	3	3%
Asian	1	1%
White	51	59%

Central Arkansas	36	41%
East Arkansas	5	6%
Northwest Arkansas	36	41%
South Arkansas	6	7%
West Arkansas	4	5%

Total Loan Portfolio

At the end of the fiscal year, the FORGE loan portfolio included 252 loans valued at \$6,010,212. With one loan each in Oklahoma, Missouri, and Louisiana, the portfolio includes loans in 41 Arkansas counties, or 55% of the state. Detailed demographic and geographic data on the loan portfolio is below:

By Demographic		
Women	107	42%
Veteran	24	9%
Minority	59	23%
Rural	156	62%

By Region		
Northwest Arkansas	157	62%
Central Arkansas	63	25%
East Arkansas	9	4%
West Arkansas	12	5%
South Arkansas	8	3%
Missouri	1	< 1%
Oklahoma	1	< 1%
Louisiana	1	< 1%

Remix Business Academy

FORGE is excited to announce a new strategic partnership with Remix Ideas to found the Remix Ideas Business Academy. The mission of Remix Ideas is to build a socially conscious startup ecosystem that increases the number of minority entrepreneurs in central Arkansas. Remix provides guidance to business challenges and developing strategic business plans for early-stage startups, as well as workshops, lectures, and seminars designed to help minority entrepreneurs start, grow, and thrive. Fourteen students participated in the first cohort of the Academy held at Philander Smith College in Little Rock. Topics include business models, customer discovery, pricing strategies, cash flow management, marketing, legal structures and intellectual property, business pitch and presentation skills, and the factors in bankability. For more information, see www.remixideas.com.

Bilingual Website and Application

As part of the ongoing outreach to underserved communities, FORGE is proud to announce that its application materials and website are now available in Spanish. Many thanks to Eileen Deveraux Dailey for translating services. While over the next year we hope to add a native Spanish-speaking business consultant to the FORGE staff, in the meantime bilingual technical assistance is available in conjunction with the ASBTDC in Little Rock. If you know Spanish-speaking entrepreneurs in need of assistance in their native language, please contact a FORGE staff member.

U.S. Economic Development Administration Grant

This year FORGE acquired an Economic Development Administration (EDA) revolving loan fund from the Northwest Arkansas Economic Development District. In addition to six loans valued at

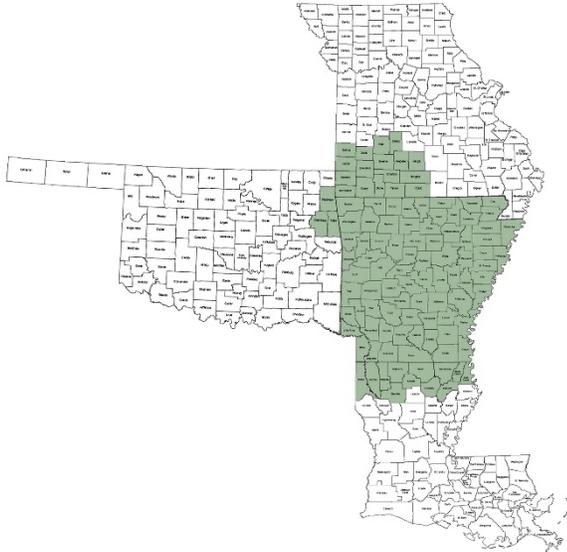
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\$198,795, FORGE received a grant of \$444,134 to deploy as small business loans in northwest Arkansas, including Washington, Benton, Madison, Newton, Searcy, Baxter, Boone, Carroll, and Marion counties.



Service Area Expansion

In the last year FORGE expanded its service area to 18 counties in southwest Missouri (Barton, Jasper, Newton, McDonald, Dade, Lawrence, Barry, Polk, Greene, Christian, Stone, Dallas, Webster, Douglas, Ozark, Wright, Texas, and Howell) and 12 parishes in north Louisiana (Caddo, Bossier, Webster, Claiborne, Bienville, Union, Lincoln, Ouachita, Richland, Morehouse, West Carroll, and East Carroll). While loan volume remains relatively low in these areas, FORGE staff expect those numbers to increase as entrepreneurs learn of the services we offer.

New Staff Member

This year FORGE welcomed Jerry Huddleston as the Controller and Director of Compliance. Jerry brings more than fifteen years of experience in compliance reporting, personnel management, financial analysis, and data analytics. An alumnus of John Brown University (B.S. Organizational Management, MBA Leadership and Ethics), Jerry researched entrepreneurship in northwest Arkansas for his master's thesis and brings valuable skills and experiences to the staff. Born in Little Rock and raised in north Arkansas, Jerry has called the state home for most of his life. He currently lives in Fayetteville.

Community Engagement

The FORGE staff continue to be committed to the communities we serve. While also serving on the NWA Regional Housing Authority, Mark Nelson joined the New Market Tax Credit Advisory Board for the Century Bank of the Ozarks. C.J. Sentell joined the Equity Research Advisory Board for the Winthrop Rockefeller Foundation. In addition to conducting monthly entrepreneurship workshops at Our House in Little Rock, Jay Young joined the Public Priorities Committee of the Arkansas Economic Development Institute to develop a strategic plan for the Hope-Hempstead County region. Megan Whitehead serves as the Vice President of the Walker Creek Stateline Public Water Authority.

Invest in FORGE

FORGE makes loans that change lives and strengthen communities. As a 501(c) 3 nonprofit, your support is critical to our long-term success. There are several ways you can support FORGE, including:

- Make a tax-deductible gift to FORGE to support small businesses loans.
- Become a FORGE investor and earn a quarterly return while making a social impact for local economic development.
- Make a planned gift to FORGE and enjoy significant tax savings while supporting a cause that is meaningful to you. Your gift will help us carry out the mission of FORGE for years to come.

For more information, please contact C.J. Sentell and/or your financial advisor.

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Financial Position

Oct. 1, 2018 to Sept. 30, 2019

Income

Interest Income	\$ 308,478
SBA Technical Assistance Grant*	\$ 313,158
EDA Revolving Loan Fund Grant**	\$ 444,135
Other Income	\$ 130,575
Total Income	\$ 1,196,346

* Reimbursable Grant for 80% of Eligible Expenses

** Permanently Restricted Funds for Loan Capital

Expenses

Administrative	\$ 183,687
Interest Expense	\$49,066
Loan Program	\$ 82,227
Personnel	\$ 354,917
Total Expenses	\$ 669,899

Assets

Cash and Cash Equivalents	\$ 1,657,342
Loan Portfolio	\$ 6,010,212
Fixed Assets	\$ 257,989
Other Current Assets	\$ 832,852
Total Assets	\$ 8,758,395

Liabilities	\$ 6,474,182
Equity	\$ 2,284,213

Total Equity and Liabilities **\$ 8,758,395**

Total Active Loans	252
Average loan size	\$ 23,850
Number of Investors	68
Loans Charged Off	5
Net Loss on Charge Offs*	\$ 2,488

* After ADFA Loan Guarantee Payment

Committed funds available for the loan pool that are not included in the financial statements:

\$ 92,835 ADFA Loan Loss Reserve

The FY 2019 figures above are internal and unaudited.
Audited financial statements from FY 2018 are available upon request.

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