



2021 ANNUAL REPORT

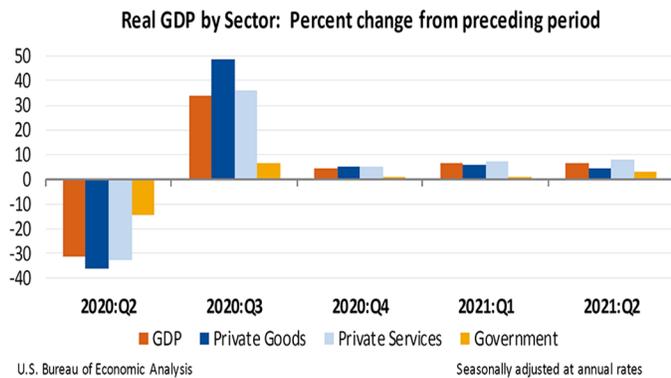
(October 01, 2020 to September 30, 2021)

Due to the continuation of the COVID-19 Pandemic, FY2021 was a very challenging year for borrowers and lenders across the nation. Some businesses had to close temporarily, while others had to close permanently. Many never got the opportunity to open.

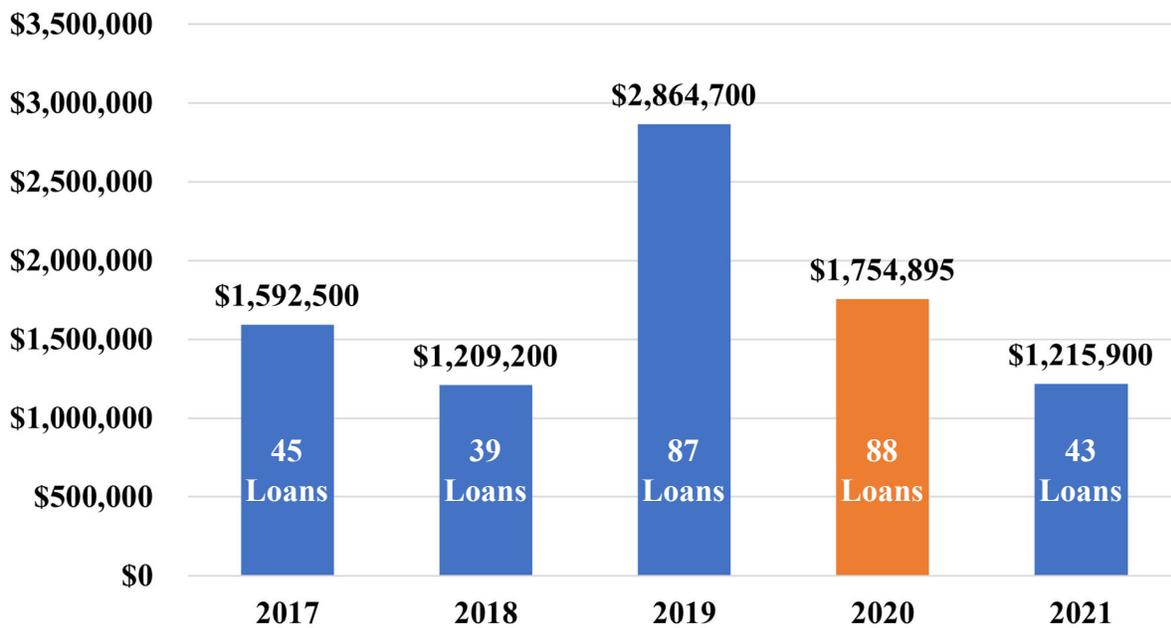
Financial support from the Federal Government in the form of the CARES Act and the American Rescue Plan provided needed relief to our SBA borrowers. Private foundation dollars also helped support emergency loans for our borrowers, allowing many to “pivot” and meet new demands brought about by the pandemic. Even with all this support, several borrowers still had to “shut their doors”, and most of our borrowers had to put previous plans on hold as the pandemic surged, then receded, then surged again.

FORGE received fewer loan applications this year than in previous years, as potential entrepreneurs waited for the economy to improve. And the economy is showing signs of a slow recovery. During the last fiscal quarter of FY2021, FORGE saw an increase in inquiries and loan applications.

FORGE has used this year to grow our team, adding three new employees, with two more to go. We have opened access to capital for more people, and developed ways to better deliver technical assistance to our borrowers. We look forward to our continued service to our mission and to our members.



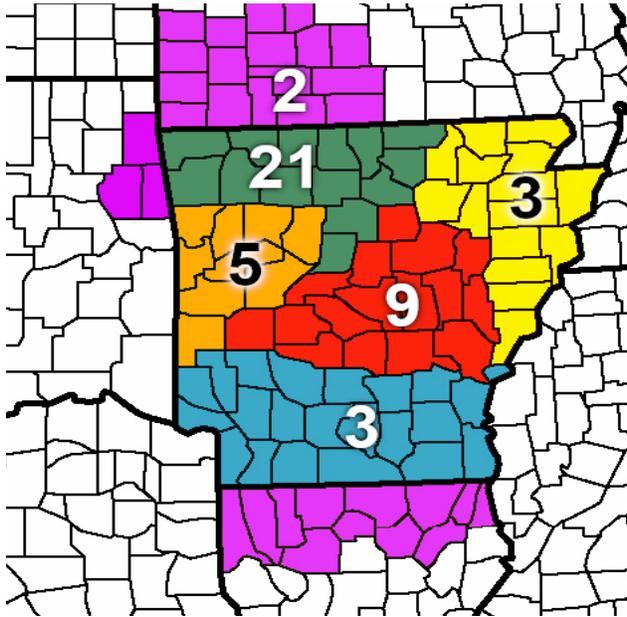
TOTAL LOANS per FISCAL YEAR



Fiscal Year (FY) 2021: Year in Review

In FY 2021 (10/01/2020 - 09/30/2021), FORGE made 43 loans, totaling \$1,215,900.00, to underserved entrepreneurs, including 11 loans (26%) to minority entrepreneurs, 23 loans (53%) to women, and 4 loans (9%) to veterans.

Loan Location by Region:



<u>Region Name</u>	<u># Loans</u>	<u>% Loans</u>
Central Ark	9	21%
Eastern Ark	3	7%
Northwest Ark	21	49%
Southern Ark	3	7%
Western Ark	5	12%
Missouri	2	5%

Demographics:

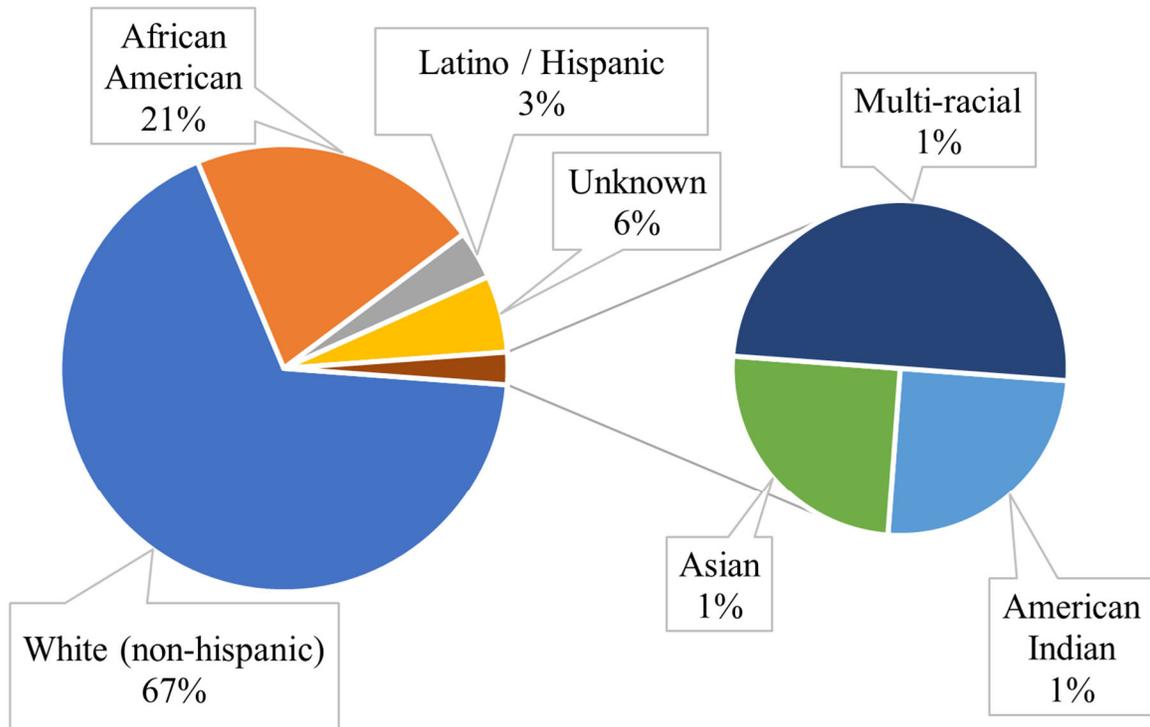
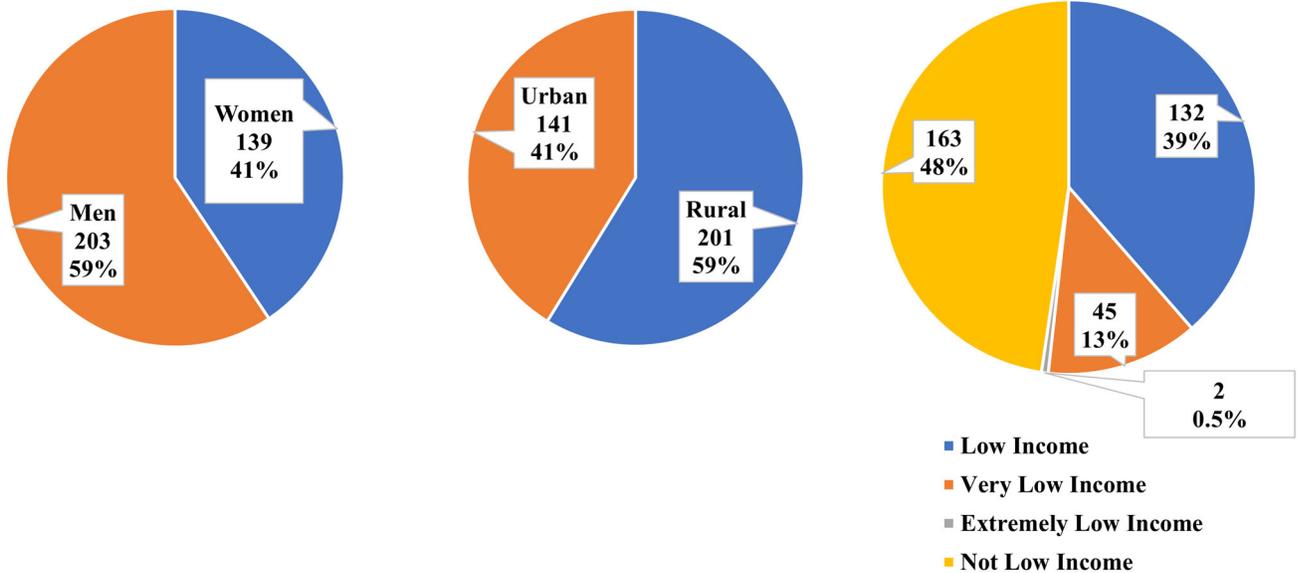
	<u># Loans</u>	<u>% Loans</u>		<u># Loans</u>	<u>% Loans</u>
Women	23	53%	Rural	23	53%
Men	20	47%	Urban	20	47%
Low Income	19	44%	Veteran	4	9%

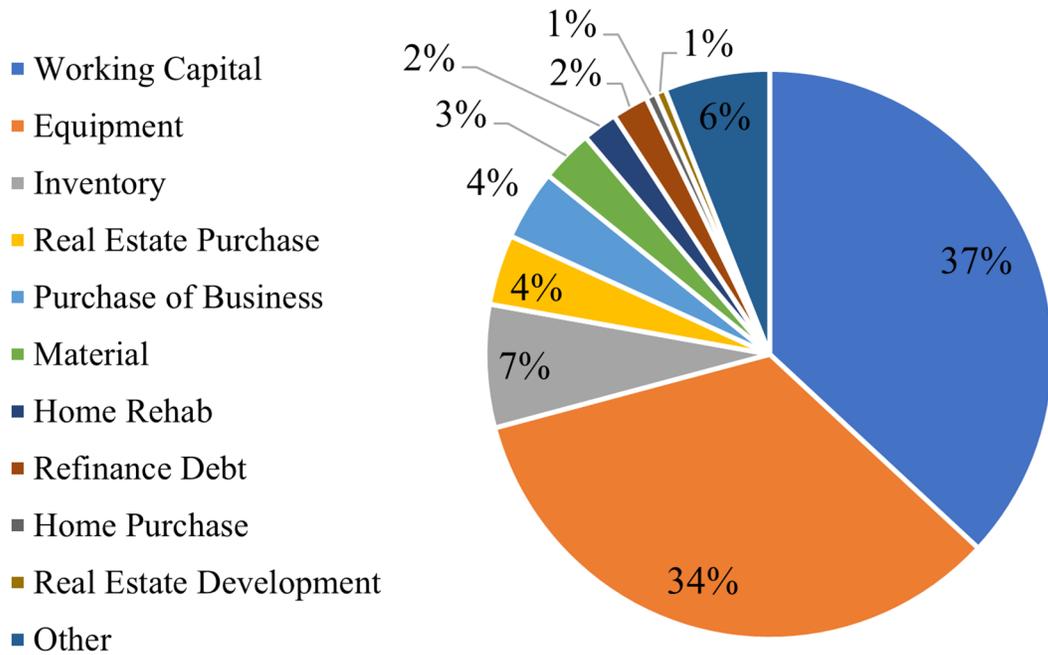
	<u># Loans</u>	<u>% Loans</u>
African American	6	14%
American Indian	1	2%
Latino / Hispanic	2	5%
Asian	0	0%
White	32	74%
Other	2	5%

The FORGE Loan Portfolio: An Overview

At the end of FY 2021, the total loan portfolio includes 342 individual loans valued at \$5,692,806.14.

The annual default rate is 1.92%.





<u>Loan Fund</u>	<u># Loans</u>	<u>Outstanding Loan Balance</u>
General Credit Fund	107	\$2,023,968.00
US Small Business Administration	197	\$2,747,913.42
US Economic Development Administration	13	\$386,231.08
US Department of Agriculture	25	\$534,693.64

CANOPY

NORTHWEST ARKANSAS



Canopy NWA and FORGE have created a loan fund to support the economic advancement services provided by the refugee resettlement agency. FORGE provides technical assistance to refugees and immigrants in the *Plan It!* Entrepreneurship program. Participants gain knowledge capital through the program, but may still face other barriers to financing. With an investment to create a



loan loss reserve for the fund, Canopy NWA supports the next step on the path to economic advancement.

FORGE made its first loan to Eca Mukandama, who opened Mossi Garage & Auto Sales LLC in Fayetteville earlier this year. FORGE is proud to provide access to capital for our ever-growing members.



This year, FORGE sought ways to support other organizations and activities aligned with our mission and values.



- FORGE sponsored the Mulerider EPIC business pitch competition at Southern Arkansas University and the Alex Foundation's annual fundraiser supporting architecture and design programming for students in the Arkansas Delta.



- FORGE supported young livestock farmers showing their animals in the Madison County Fair.
- FORGE sponsored Her Set Her Sound, a music festival to celebrate women in entertainment and entrepreneurs from marginalized communities.



- We partnered with FORGE member, Trailside Coffee Co., to provide refreshments to all of the businesses and customers at the NWA Girl Gang market.



- We sponsored the Mariachi Festival through the Latin Art Organization of the Ozarks.

As FORGE expands our membership, we are grateful to be a part of these events in rural and urban areas throughout the state.



Philip Adams, Executive Director: Philip has served as the Executive Director of FORGE since March 2020 after having joined the staff in 2019 as the Northwest Arkansas Regional Director. Previously, he served as the Director of Arkansas PROMISE, a five-year, \$35 million federal grant to the University of Arkansas and the Arkansas Department of Education. In 2018, Adams was honored by the Association on Higher Education and Disability for his work to promote social justice for people with disabilities in their communities. He earned a bachelor's degree in Spanish from Hendrix College in Conway, Arkansas, and lives with his two children in Fayetteville, AR.



Mark Nelson, Director of Lending: Mark was born and raised in Northwest Arkansas. After graduating from Huntsville High School, he earned a bachelor's degree in banking and finance from the University of Arkansas in Fayetteville. Mark has worked in the banking industry for over 35 years, spending almost all of that time in lending, and most recently as a Senior Loan Officer at Arvest Bank in Huntsville. Mark is involved in many community organizations, including the Huntsville Area Chamber of Commerce, the Huntsville Lions Club, and the Northwest Arkansas Regional Housing Authority Development District. Mark lives in Huntsville with his wife of 31 years and has two grown children.



Jay Young, Central Arkansas Regional Director / Director of Minority Business Development: Jay has more than 20 years of business operations experience in the engineering and technology, financial services, healthcare, and consulting arenas. Jay has provided more than 15 years of volunteer service with over 8 years directly associated with teaching business concepts and life skills as a Prison Entrepreneurship Program (PEP) mentor and a Service Core of Retired Executives (SCORE) counselor. He earned a M.B.A. in Entrepreneurship from University of Dallas in Irving, TX and a B.S. in Industrial Technology with a minor in Operations Management from Texas A&M University in Commerce, TX. Jay values family time with wife Julia, and three children, Amon, Jerusha, and Lauren.



Megan Whitehead, South Arkansas Regional Director: In addition to her work as the South Arkansas Regional Director at FORGE, Megan works as an Instructor of Finance at the Southern Arkansas University in Magnolia. She has a B.S. in Agriculture Business and a M.B.A., both from Southern Arkansas University. Prior to a transition to full-time faculty, Megan was the Center Director for the SAU Arkansas Small Business and Technology Development Center. She has extensive experience working with small businesses and enjoys being able to assist entrepreneurs achieve their business goals. She is active in her church and works with the youth at First Baptist Church in Taylor and she also sits on the board of the Walker's Creek/Stateline Public Water Authority, serving as its secretary.



Jerry Huddleston, Director of Compliance: Jerry Huddleston brings more than fifteen years of experience in compliance reporting, personnel management, financial analysis, and data analytics to FORGE. He is a graduate of John Brown University, possessing a B.S. in Organizational Management and an MBA in Leadership and Ethics. A self-described “data nerd”, Jerry loves to delve deep into data, finding patterns and cycles that can then be used for the betterment of the organization. Born in Little Rock and raised near Yellville, Jerry has called Arkansas home for most of his professional career, and currently makes his home in Fayetteville with his wife, Kim, of 24 years.



Sandra Carrasco-Quezada, Director of Latinx Business Development: Sandra is originally from Chihuahua, Mexico. Sandra has lived in the US for over 14 years. Through her experience as an immigrant, she is committed on helping others succeed. She earned a bachelor’s degree in Industrial Engineering from the University of Arkansas and has spent years in cross-functional roles ranging from operations, engineering, finance, and analytics. She is the co-founder of Bites & Bowls a local’s favorite in Northwest Arkansas. When Sandra is not working, she enjoys spending time with her husband, Sina, and their son, Jahangir.



Morgan Scholz, Northwest Arkansas Regional Director: Morgan has served small businesses and nonprofits for over a decade through development, education, communications, and HR support. She formerly served as the Director of Programs and Partnerships with Startup Junkie Foundation where she worked to elevate the rural and historically disadvantaged entrepreneurial community through targeted outreach and initiatives to a 9-county service area. Morgan earned her Master’s degree in Rhetoric, Composition, and Literacy from the University of Arkansas and specialized in curriculum development and design by helping pilot and revise the University’s composition curriculum. Morgan has lived and worked in India, England, and the Middle East.



Bill Fox, Director of Technical Assistance: Bill Fox comes to FORGE with 15 years of business consulting experience. He served for 11 years as a business consultant and Center Director for the Small Business and Technology Development Center at the University of Arkansas. During his career at the U of A, Bill worked and consulted with businesses from a wide range of business sectors, from retail and restaurants, to health care and professional services. He has conducted numerous seminars on a variety of topics including; business planning and strategy, starting a business, marketing, cash flow management, financing options, and more. Bill also taught Strategic Management as an adjunct faculty at the Sam M. Walton College of Business.



Brea Cook, Loan Manager: Originally from Cambridge, Illinois, Brea attended Black Hawk East College in Kewanee, Illinois. After graduating with an Associate's degree in Applied Animal & Equestrian Science, Brea trained racehorses in Chicago and worked as a scheduling coordinator at an animal boarding facility. She then took a position with a wholesale meat packing company, Valley Meats, overseeing accounts across the country. Eventually relocating to Northwest Arkansas, Brea learned of FORGE's work promoting community and economic development and knew she wanted to be a part of the team. The endless possibilities for outdoor activities, kayaking, fishing, hiking and horseback riding are a few of the reasons Brea moved to the area.



Brittany Blisard, Administrative Assistant: Brittany was born and raised in Huntsville, AR. Where she graduated high school with honors. Brittany is your typical small town girl and loves hunting, fishing, riding four wheelers and horses, rodeoing with her in-laws, spending free time at the river with friends and family, and going jeeping whenever possible. Brittany grew up on a farm and still lives on that farm with her husband and two young boys. Brittany is currently attending college to receive her associate's degree in accounting and later on pursuing her bachelor's degree.

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:

Philip Adams, Executive Director and/or your financial advisor.

FORGE Partners with Cureate to Launch New Technical Assistance Opportunities

In June 2021, FORGE entered into a contractual agreement with Cureate, LLC to provide Food & Beverage Industry Specific Technical Assistance to under-served restaurant and food entrepreneurs in Northwest and Central Arkansas through Cureate Courses. At Cureate, they have a saying: “*You may know how to make jam, but not know how to run a jam business.*” Complex steps are required to start and grow a small business, from defining mission and values, to branding and marketing, to exploring new sales channels. And, while many small businesses offer products that meet customer needs, they simply don’t yet have the systems in place to take advantage of meaningful sales opportunities.

Cureate Courses is a novel, custom-designed program intended to teach local food & beverage entrepreneurs how to develop and bring their products to market while establishing sustainable business practices. During Cureate Courses, participants learn such concepts as:

- Growing Your Company Culture
- Building a Brand Beyond a Logo
- Creating Sustainable Supply Chains
- Formulating a Research & Development (R&D) Process
- Managing Business Expenses and Cash Flow
- Developing a Core Messaging & Media Strategy
- Expanding Your Business Through Exporting
- Determining if Venture Capital is Right for You
- Winning Over a Prospective Buyer
- Optimizing Your E-Commerce Funnel

Cureate Courses will also focus on engaged, experiential learning (hosted virtually, in-person, and as e-modules), with participants engaging in exercises such as business simulations, discussions, and case studies to reinforce the key concepts from each class session. Cureate Courses are designed to be easy to understand regardless of education level or work experience. Participants will also have access to Cureate Courses workbook, group forums to discuss business challenges, and leadership coaching. Additionally, Cureate Courses provided an “end-of-program” event to further grow participants market opportunities. These “end-of-program” events can include “pitch competitions” and Vendor Fairs. On average, Cureate students reported a 25% increase in revenues by the end of the program.



KIM BRYDEN, CEO of Cureate

Kim Bryden is an accomplished strategic business development professional with expertise in marketing, merchandising, and operations focusing on the food & beverage industry. Kim has consulted 300+ small businesses on growth strategy, building out diversified revenue streams, and identifying new market opportunities. Kim is a World Economic Forum Global Shaper, a member of the Sandbox Network, a director on the Board of the Land Betterment Corporation, and a board advisor to Fair Farms Maryland. She holds a Graduate Certificate in Digital Media Management and Analytics from Georgetown University and a BA in Public Communication & Spanish from American University.

FORGE & ReMix Ideas of Little Rock Continue Partnership in Central Arkansas

FY2021 was a very busy and successful year for FORGE, Inc. and ReMix Ideas of Little Rock. Together we continued to make an impact in Central Arkansas.

- The ReMix Ideas Business Academy (RIBA) held two sessions in FY2021, a Spring and a Fall session. The Business Academy is a novel, custom-designed program intended to teach local entrepreneurs how to develop and test ideas in the marketplace on the way to establishing sustainable small businesses. During the Academy, participants learn about concepts and tools such as the Lean Canvas, value propositions, customer acquisition, pricing strategies, marketing, and financing.

	<u>Fall 2020</u>	<u>Spring 2021</u>	<u>Total</u>
Female Students	7	9	16
Male Students	5	5	10
Low Income	12	14	26
Hours of Instruction	150	150	300

- FORGE and ReMix partnered to issue thirty (30) \$500.00 Opportunity Grants to entrepreneurs in Central Arkansas. The grants were made available to current and former participants of the Business Academy and/or Shop Black Live. Each grant recipient was also provided two and a half hours of Technical Assistance to develop winning proposals (75 hours of total Technical Assistance).

Number of Grant Recipients	30
Number of Women	21
Number of Men	9
Number of Low-to-Moderate Income Recipients	30
Location Cities: Little Rock / North Little Rock / Conway / Maumelle / Alexander	

- FORGE sponsored The Wright Avenue Project for \$1,000.00. This was a dollar match initiative designed to stimulate sales at businesses located on Wright Avenue in Little Rock, AR. And FORGE also sponsored The Black Founders Summit for \$3,000.00. The Black Founders Summit brings together key business leaders, policymakers, and entrepreneurs for actionable insights and discussions on the issues that matter most to the Black entrepreneurs.



BENITO LUBAZIBWA, Founder of ReMix Ideas

Benito Lubazibwa is an advocate for upward economic mobility and intergenerational wealth through entrepreneurship. He was recently honored by the Center on Community Philanthropy at the Clinton School of Public Service with the 2020 Advancing Equity Award. (www.remixideas.com).

Financial Position
Oct. 1, 2020 to Sept. 30, 2021

Income

Interest Income	\$357,151
SBA Technical Assistance Grant	\$622,002
Arkansas Community Foundation Grant	\$35,000
CDFI Grant	\$1,134,000
Other Income	\$119,287
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Total Income	\$2,267,440

Assets

Cash and Cash Equivalents	\$ 3,736,321
Loan Portfolio	\$5,520,635
Accrued Interest	\$26,905
Fixed Assets	\$ 234,037
Receivables	\$ 473,519
Other Assets	\$10,027
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Total Assets	\$ 10,001,445

Liabilities

Liabilities	\$ 5,831,019
Equity	\$ 4,170,427
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Total Equity and Liabilities	\$ 10,001,445

Total Loans	342
Average loan size	\$28,735
Number of investors	64
YTD Charge Offs	\$0.00

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

ADFA Capital Access Program: \$68,585.11

Audited Financial Statements from FY2020 are available upon request.



FORGE: FINANCING OZARK REGIONAL GROWTH & ECONOMY

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